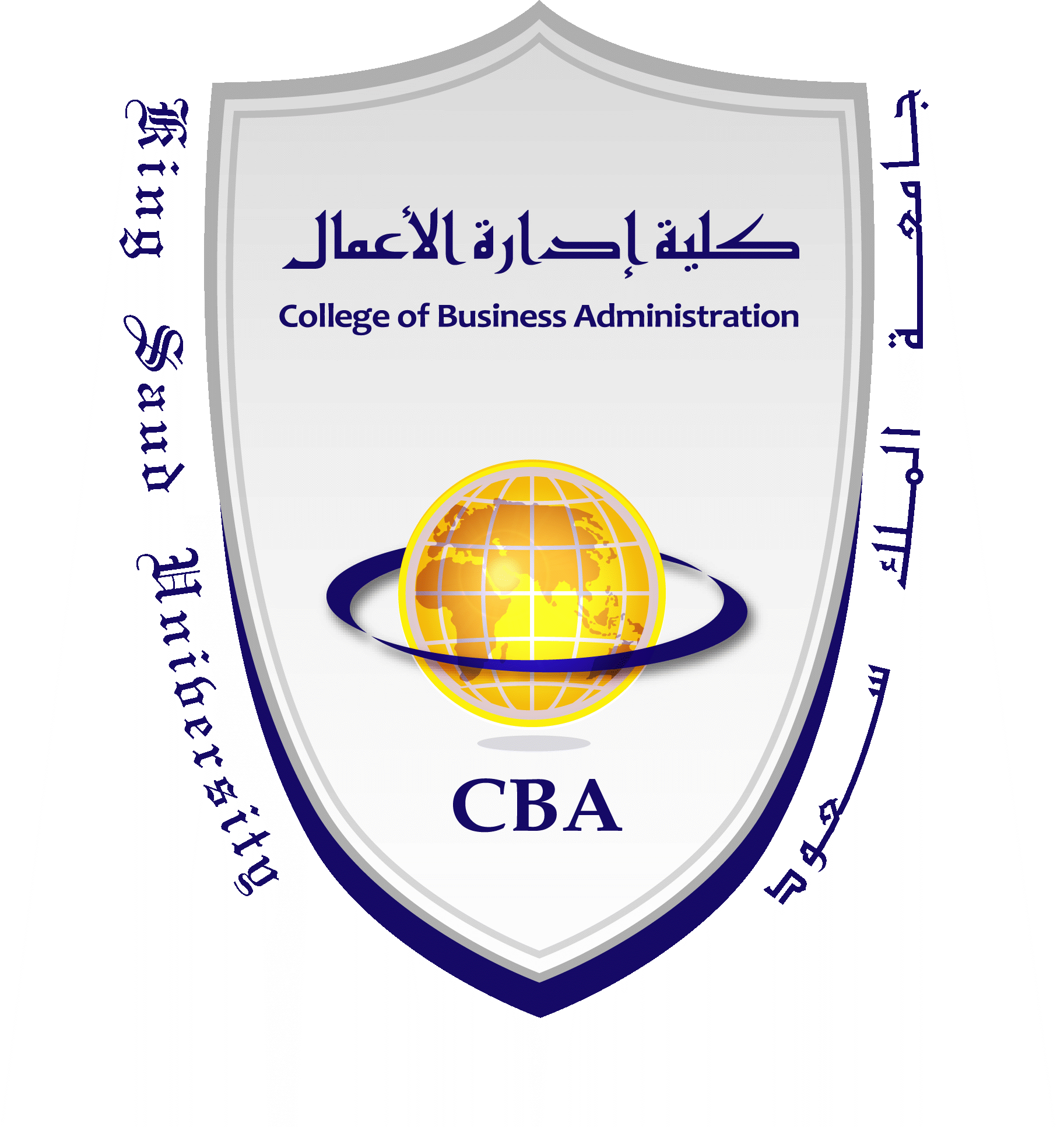
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**King Saud University**

**College of Business Administration**

**Finance Department**

**Course Syllabus**

FIN462 ASSETS MANAGEMENT

Second Semester 2014-2015

Credit: 3

Faculty: Dr. Lakshmi Kalyanaraman

Office: Room 20, Second Floor, Building 3

Email: lkalyanaraman@ksu.edu.sa

***Course Schedule***

|  |  |  |
| --- | --- | --- |
| Day | Time | Classroom |
| Monday | 08:00 AM - 10:50 AM | 1101 03 1 A 036 |

***Office Hours***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sunday | Monday | Tuesday | Wednesday | Thursday |
| 10:00 AM –11.00 AM | 11:00 AM –12.00 Noon | 10:00 AM –11.00 AM | 11:00 AM –01.00 PM | 10:00 AM –11.00 AM |

***Course Description***

This course covers topics in investment management such as asset allocation, investment styles, portfolio management strategies, portfolio rebalancing, evaluation of portfolio performance and professional asset management.

***Course Objectives***

* Describe asset allocation strategies
* Appraise portfolio management strategies
* Rebalance the portfolio to meet the fresh challenges
* Evaluate portfolio performance

***Course Effectiveness Matrix***

|  |  |  |  |
| --- | --- | --- | --- |
| **Course Learning Outcomes (CLO)** | **Linked to Program Learning Outcomes (PLO)** | **Teaching Strategies** | **Assessment** |
| Evaluate the risk and return characteristics of portfolios. | LG 7: OB 1 | Risk and return calculations for the portfolio, single stock investment and the market index. | Investment game weekly submissions. |
| Evaluate the benefits of a portfolio over single stock investment. | LG 7: OB 1 | Compare the rate of return and risk of a single stock investment with a portfolio. | Weekly submissions of investment game. |
| Construct optimal risky portfolio from the securities traded in the domestic market. | LG 9: OB 1  LG 2: OB 2 | Construct optimal risky portfolio from the securities traded in the domestic market with excel. | Assignment on optimal risky portfolio construction. |
| Construct an optimal portfolio according to clients’ requirements on risk or return. | LG 9: OB 1 | Construct optimal portfolio from the risk-free asset and the risky assets traded in the domestic market for clients with a required rate of return or risk tolerance level. | Lab session |
| Describe asset allocation strategies | LG 9: OB 1 | Lectures and class discussions. | Mid-term examination  Final examination |
| Evaluate portfolio management strategies | LG 2: OB 2 | Lectures, class discussions and investment game. | Investment game weekly submissions and final examination. |
| Rebalance portfolio to meet fresh challenges. | LG 5: OB 2 | Lectures, Class discussions and investment game. | Mid-term examination  Investment game weekly submissions. |
| Evaluate portfolio performance | LG 9: OB 1 | Lectures, Class discussions and investment game. | Mid-term examination  Final examination  Weekly submissions where the students compare the performance of their portfolio with the market index and with comparable mutual fund performance. |
| Design appropriate trading strategy. | LG 9: OB 1 | Lectures, Class discussions and investment game. | Mid-term examination  Final examination  Investment game weekly submissions. |
| Demonstrate the ability to use Microsoft excel for asset management applications. | LG 3: OB 2 | Lab sessions and investment game. | Participation in lab sessions and weekly submission of investment game. |

***Course Coverage and Session Plan***

|  |  |  |
| --- | --- | --- |
| Week | Session date | Topic |
| 1 | January 26, 2015 | Registration |
| 2 | February 2, 2015 | Investment process |
| 3 | February 9, 2015 | Asset allocation decision |
| 4 | February 16, 2015 | Equity portfolio management strategies |
| 5 | February 23, 2015 | Equity portfolio management strategies |
| 6 | March 2, 2015 | Bond portfolio management strategies |
| 7 | March 9, 2015 | Bond portfolio management strategies |
| 8 | March 16, 2015 | Portfolio rebalancing |
| Spring Break | | |
| 9 | March 30, 2015 | Evaluation of portfolio performance |
| 10 | April 6, 2015 | Midterm examination |
| 11 | April 13, 2015 | Evaluation of portfolio performance |
| 12 | April 20, 2015 | Lab session |
| 13 | April 27, 2015 | Lab session |
| 14 | May 4, 2015 | Lab session |
| 15 | May 11, 2015 | Review |
| Final Examination | | |

***Required Texts***

* Reilly, F.K. and Brown, K.C. 2012. Analysis of Investments & Management of Portfolios. 10th International Edition, South-Western Cengage Learning.
* Bodie, Z., Kane, A. and Marcus, A.J. 2011. Investments and Portfolio Management. 9th Global Edition. McGraw-Hill.

***Suggested Materials***

Financial magazines and financial pages of newspapers

***Web Resources***

* www.tadawul.com.sa
* www.gulfbase.com
* topics.bloomberg.com/saudi-arabia/
* http://www.cma.org.sa/En/Pages/home.aspx
* http://www.sama.gov.sa/sites/SAMAEN/Pages/Home.aspx

***Pedagogy***

This course uses lecturing, discussions, presentations, investment game, excel applications in asset management, popup questions and assignments.

***Assessments***

* Midterm 20%
* Assignment on investment game 25%
* Assignment on optimal risky portfolio construction 10%
* Popup questions 5%
* Term end examination 40%

***Examination Schedule***

Mid-term examination: April, 6, 2015**.**

***Exams***

You will have one midterm examination and a final examination for this course. Midterm examination will be of one hour duration. The schedule for the midterm is mentioned in this document. The format for the midterm examination and the final examination will be announced at least two weeks ahead of the exam schedule. Final examination is cumulative and will be of two hour duration. For the section on the numerical problems, marking scheme will carry credit for each step towards final answer. Please show all your steps and calculations in the answer script to avail credit. Midterm examination will be held during the class time in the same class room where the class sessions are scheduled.

***Investment game weekly submission***

Investment game weekly report has to be submitted every week in the stipulated Microsoft excel format provided. Both softcopy submissions and hardcopy submissions are to be made. More details are available in the investment game section of the syllabus.

***Assignment***

Assignment has to be submitted on or before May 5, 2015. Details on the assignment are provided under the assignment section of the syllabus.

***Popup Questions***

Course will have lots of popup questions. These questions are decided on the basis of what is thrown up by the class discussions. Students who answer the questions in the class immediately will have 0.50 of 1 mark for every correct answer. Students who find out the answer and bring the answer to the following class will get 0.25 of 1 mark. Answers for the popup questions will have to be written on a piece of paper with your name, university id, course and section and handed over to me in the class if you know the answer when the question was raised. Otherwise, you will find an answer and submit the same to me along with the reference to the source on an A4 sheet before the commencement of the next session in the following week. Cumulative maximum score for popup questions is subject to a ceiling of 10 including the extra credit.

***Extra credit***

If the marks obtained from the popup questions is higher than 5, it will be used for extra credit. But the extra credit is available only to the students who complete their regular credit. Extra credit is considered for students who finish the semester with a score close to a higher grade boundary.

***Software requirement***

For the lab sessions, you will have to bring your own laptops with Microsoft excel with data analysis and solver add-ins.

***Calculators***

Financial calculators are allowed during lectures and exams. No devices with memory are allowed during examinations.

***Cell phones***

Cell phones are not allowed for calculation during the examinations and classes. During the class, your cell phones should be switched off or kept in silent mode. Cell phones should be kept inside your bag. Use of cell phones during the class for whatever reason is strictly prohibited.

***Class participation***

I intend employing class participation as a major pedagogy. I expect you to actively participate in the class discussion and contribute to the effectiveness of class learning. Let us make the class lively, vibrant and effective.

***Exam Policy/Requirements***

* During the exams talking, whispering, using cell phones for calculation, etc (your cell phones must be turned off and kept out of your reach!!!!) is not allowed and strictly forbidden.
* **Borrowing calculators during examinations is not allowed.** In addition to above rules you know the college general policies (bringing your ID, obeying the university rules etc.) about exams which also apply.
* During the examinations, you are responsible for bringing all your required materials (pen, pencil, calculators, student ID etc.) to the classroom.

***Attendance***

* Attendance will be marked in every class. Please take care to answer your attendance in the class.
* In case you would like to check out on your attendance, please do so during my office hours.
* 75% Attendance is compulsory.
* Any student lacking 75% attendance will not be allowed to sit for the Final examination.
* In case your absence is due to a reason that is acceptable according to the regulations of the University, you are required to submit the same with proof.
* However, you will find the course relies on the learnings from the previous sessions heavily during most of the sessions. In your own interest you may prefer 100% attendance as it will help you perform better.
* I reserve the right not to accept the availability of a student who is late.

***Make-up Examination***

* If a student misses the midterm examination, she will get a zero for the examination.
* However, if you have a valid reason for your absence, reasons that are allowed by the university, you can take a makeup examination after the close of class sessions but before the final examinations.
* There will be a single makeup examination for all the students.
* Format, date and time of the examination will be announced a week ahead of the schedule.
* Makeup examination will be cumulative and will include all the topics covered in the course.

***Classroom Requirements***

* You shall be present in the class on time. If the door of the classroom is closed, it means the lecture has started and please do not enter the classroom.
* If you have an excuse to be late, you will have to inform me in advance.
* You are not allowed to leave the class before the conclusion of the session, unless you are specifically permitted by me to do so.

***Academic integrity***

Students who violate the University’s rules on academic integrity will be turned before the University authorities.

***Office Hours***

Office hours are mentioned at the beginning of this document. Information on my class schedule and office hours is also posted on my office door. You do not need an appointment to meet me during my office hours. Please visit me during my office hours for any assistance related to the materials covered, discussions, problems solved in the class or any matter of relevance to this course or to finance in general. After each assessment I strongly recommend that you visit me to go over the quizzes, examinations or any other evaluations carried out. This could benefit you greatly performing better in the assessments to be carried out in the future. My experience shows that most of the students do not take advantage of the office hours to enhance their performance and learning. Please take advantage of my office hours regularly and do not wait until examination for seeking my assistance. In case you would like to meet me outside my office hours, please make an appointment with me in advance.

***Email***

I strongly recommend you meet me during office hours for any assistance relating to doubt clarifications as in person meeting will enable me to better understand your need. However, if you are just seeking some information you may contact me through email. Will sending me an email please clearly mention your full name as it is on the University enrolment, University ID number, course and section along with your query. Please allow me a day to reply.

***Expectation***

* You may have to spend at least 4 to 6 hours every week on the subject outside the class hours.

***Course Resources***

* I intend using my Blackboard area for posting course materials, discussions and assessment results. Please stay connected.

***Syllabus modification***

This syllabus is subject to change. I will make every effort to notify you in advance about any changes.

***I look forward to an exciting semester with you. Come; let us make learning fun, effective and useful.***