

**KING FAHD UNIVERSITY OF PETROLEUM & MINERALS**  
**College of Industrial Management**

**Executive MBA Program**

**FIN561: Investment Analysis and Portfolio Management**  
**Fall (Term 091)**

<b>Instructor:</b> Dr. William B. Elliott Associate Professor of Finance The University of Texas at El Paso	<b>Instructor:</b> Dr. Mohammed Alzahrani Assistant Professor of Finance, King Fahd University of Petroleum & Minerals
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<b>Check the course material on Blackboard / WebCT:</b> <a href="http://webcourses.kfupm.edu.sa/webct/entryPageIns.dowebct">http://webcourses.kfupm.edu.sa/webct/entryPageIns.dowebct</a>	

**Consultations:** By Appointment

**Textbook:** Bradford D. Jordan and Thomas Miller, Fundamentals of Investments: Valuation and Management, McGraw-Hill; 5 edition (2008) (JM)

**Additional Material:** additional notes and readings will be available via WebCT

**Objectives:** The objective of this course is to help executives develop skills and abilities in analyzing securities and making investment decisions within the context of modern portfolio theory. This course discusses the basic concepts in investments and portfolio management, including security analysis, modern portfolio concepts, and formulation of portfolio management strategies, asset allocation, security selection, performance evaluation, and risk management tools.

**Technology:** a Business/Financial calculator will be very useful. Familiarity with spreadsheet programming, e.g. Microsoft Excel© should come in handy.

**Pedagogy:** the course will utilize hands-on activities and problems solving. In addition, real world examples will be used to enhance the understanding of concepts under discussion. Group discussions and individual participation is expected and will be rewarded.

**Classroom Policy:** This course will be based on *Team Learning Model*, under which, students carries the learning responsibility and will be evaluated in part based on their pre-session preparation. In a nutshell, team learning model requires students to prepare for the class material before coming to class and the instructor will administer individual and group *Readiness Assurance Test* (RAT) at the beginning of the session. RAT will include 15-20 (multiple choice and/or essay question on the material to be discussed during the session. Participants' tests will be graded in the same session and participants will receive immediate feedback from the instructor. After that, the instructor will explain the material using some application-oriented activities that students conduct during the class.

**Grading Policy:** Performance in class will be measured through individual- and group-based activities. The participant's score on the group-based activities is the group score weighted by the participant's peer evaluation.

**Grade Distribution:**

Individual RAP	20 Points
Group RAP	20 Points
In-class assignments	20 Points
Investment analysis Project	20 Points
<u>Portfolio Management Project</u>	<u>20 Points</u>
<b>Total</b>	<b>100 Points</b>

**Schedule:**

**Session 1: Wednesday, January 06, 2010**

**Location: Holiday Inn Al-Khobar**

**Instructor: Dr. Bill Elliott**

**Morning Session: *Introduction* (8:00AM – 11:45AM)**

- Discussion of the course syllabus
- Individual and Group RATs
- Buying and Selling securities: Ch.2
- Security Types: Ch.3
- Ch1 and Ch4 are assigned as self reading

**Afternoon Session: *Stock Markets* (01:00PM – 4:30PM)**

- The Stock Market: Ch. 5
- Stock Valuation: Ch.6
- Case study: IPO of Williams Communications Group, Inc.
- Discussion of Investment analysis Project

**Session 2: Thursday, January 07, 2010**

**Location: Holiday Inn Al-Khobar**

**Instructor: Dr. Bill Elliott**

**Morning Session: *Bond Markets* (8:00AM – 11:45AM)**

- Individual and Group RATs
- Interest rates: Ch.9
- Bond Prices and Yields: Ch10

**Afternoon Session: *Bond Markets* (01:00PM – 4:30PM)**

- Bond Prices and Yields Ch10
- Other Investment issues (TBA)
- Discussion of Portfolio Management Project

**Session 3: Wednesday, January 20, 2010**

**Location: Holiday Inn Al-Khobar**

**Instructor: Dr. Mohammed Alzahrani**

**Morning Session: *Portfolio Theory* (8:00AM – 11:45AM)**

- Individual and Group RATs
- Diversification and Asset allocation Ch.11
- CAPM: Ch.12

**Afternoon Session: *Market efficiency and alternative theories* (01:00PM – 4:30PM)**

- Market efficiency: Ch7
- Behavioral Finance: Ch8 (assigned as self reading).
- Islamic Finance: additional Readings.

**Session 4: Wednesday, February 03, 2010**

**Location: Holiday Inn Al-Khobar**

**Instructor: Dr. Mohammed Alzahrani**

**Morning Session: *Portfolio Management I* (8:00AM – 11:45AM)**

- Individual and Group RATs
- Investments Policy: Additional Readings
- Performance evaluation and risk management: Ch.13

**Afternoon Session: *Portfolio Management II* (01:00PM – 4:45PM)**

- Futures contracts: Ch.14
- Stock Options: Ch.15
- Guest Speaker: TBA