University of Bayreuth, Bachelor Program in Business Administration (B. Sc.)

H/I 1 Investments

Academic Department	Prof. Dr. Klaus Schäfer BWL I: Chair of Finance and Banking
Learning Outcomes	Students gain a detailed insight into the asset pricing models on frictionless capital markets. The lecture is accompanied by a tutorial featuring brief examples and additional exercises. Students learn to analyze and apply the concepts of portfolio risk and return, the capital market theory and the theories of option pricing.
Course Outline	Main content areas (non-exhaustive and subject to changes without prior notice): - Portfolio Selection by Markowitz and the Tobin-separation - Capital Asset Pricing Model - Factor Models and Arbitrage Pricing Theory - Active and Passive Portfolio Management Strategies - Fund Investment - Efficient Markets - Options and Futures Markets - Pricing of American Options - Put-Call-Parity - The Binomial Options Pricing Model - Delta-Hedging - Cost of Carry-Valuation of Forwards and Futures
Teaching Mode	Lectures (2 hpw), tutorials (2 hpw). Both the lectures and tutorials are interactive. In-class and take-home case studies are used to highlight theoretical and practical problems. Independent study and reading is necessary. Literature is specified at the beginning of the course.
Literature	Bodie, Zvi / Kane, Alex / Marcus, Alan J. (2002): Investments, 5th ed., Boston et al. Elton, Edwin J. / Gruber, Martin J. / Brown, Stephen J. / Goetzmann, William N. (2007): Modern Portfolio Theory and Investment Analysis, 7th ed.,New York et al. Rudolph, Bernd / Schäfer, Klaus (2010): Derivative Finanzmarktinstrumente. Eine anwendungsbezogene Einführung in Märkte, Strategien und Bewertung, 2. Auflage, Heidelberg et al.
Recommended Prior Knowledge	Good knowledge in basic concepts of finance and in financial mathematics is presupposed.
Prerequisites	None. Please look out for announcements on the BWL I website.
Assessment	60 minute written exam at the end of the course. Participating in all the course sessions, preparing case studies as a home work, discussing case studies actively in the plenary sessions.
Workload	Attendance lectures 30 hrs Attendance tutorials 30 hrs Independent study (incl. preparation and reading for case studies, tests and lectures) 90 hrs sum: 150 hrs
ECTS-credits	5 credits.
Time Span	1 semester (lecture 2 hpw, tutorial 2 hpw)
Frequency of course	Every second semester (currently winter semester)