



INVESTMENT, CAPITAL, AND FINANCE

UNIVERSITY *of* WASHINGTON

Course Syllabus

Course Name		TERM/YEAR:
Investment, Capital, And Finance		Winter 2025
Class Schedule		
Tue. & Thu., 2:30 p.m. - 4:20 p.m., Room: Kane Hall 120 (No live-streaming or recording of the class!)		
Instructor:		Contact Information:
Ali Karimirad		akarimir@uw.edu
Office Hours:		
Thursdays, 1:00 p.m - 2:00 p.m., or by appointment, Room: SAV 336		
Teaching Assistants:	Office Hour:	Contact Information:
Seyoung Won	4:30pm - 5:30pm on Thursdays, SAV 319F	Via Canvas

Welcome:

Hello and welcome to the course! I'm Ali Karimirad, and I'll guide you through the fascinating world of finance this term. Feel free to call me Ali, though if you're more comfortable with formalities, Professor Karimirad works too. If you'd like to learn more about my background and research interests, you can check out [my faculty page](#) on the university website.

Course Description and Learning Objectives:

This comprehensive course explores the fundamental principles of investment analysis and portfolio management. Students will develop a thorough understanding of financial markets, asset valuation, and risk-return relationships. The course provides essential foundations in modern portfolio theory, fixed income analysis, and derivatives, with emphasis on practical applications in investment decision-making. Special attention is given to empirical evidence on market behavior and the implementation of various investment strategies. By the end of this course, students will be able to:

- Evaluate investment opportunities using various valuation methods including NPV, IRR, and multiples
- Understand the relationship between risk and return, and apply portfolio optimization techniques
- Analyze fixed income securities and the term structure of interest rates
- Apply the Capital Asset Pricing Model (CAPM) and interpret empirical evidence on market efficiency
- Value equity securities using fundamental analysis and discounted cash flow methods
- Understand the mechanics and pricing of basic derivative securities
- Construct and evaluate investment portfolios to meet specific objectives

Course Pre-requisite(s):

Econ 300 and one of Stat 311, Math 390, Stat 390, or Q Sci 381 are required to take this course.

Required Texts and Resources:

Bodie, Z., Kane, A., & Marcus, A. (2024). Investments (13th ed.). McGraw-Hill. ISBN13: 9781266837319

The textbook is available in several formats:

- Discounted e-textbook through Canvas Day One Access program (includes a free trial period). To access:
 - Log into Canvas
 - Click on our course
 - Select "Day One Access" from the left menu
 - Follow the prompts to access your digital materials Please obtain your textbook within the first week of class as readings begin immediately.

Note: While we're using the 13th edition, the 12th edition is acceptable for this course. The core concepts remain the same, though page numbers and some examples may differ.

Grade Policy:

The grading schema for the course is as follows:

Assessment Component	Weight	Details
Assignments (4)	20%	Hand-written solutions required- Canvas upload
Quizzes (4)	20%	Bi-weekly multiple-choice quizzes on Canvas
Midterm Exam	25%	February 11, in class, 90 minutes, Closed book/notes
Final Exam	35%	90 minutes, NOT cumulative, Closed book/notes, time and location TBD
Total	100%	

The median grade for this course is 3.5 per department policy and final grades may be rescaled to obey this rule.

Assignment and Quizzes:

Homework Assignments:

- Four (4) hand-written assignments will be posted on Canvas throughout the quarter
- Each assignment contains 5 questions, worth 5 points each (25 points total)
- Grading philosophy: Focus on learning, not perfection
- Grading scale for each question:
 - 0-2 points: Needs significant improvement
 - 3+ points: Full credit (5 points)
 - All grades will be in whole numbers
 - This generous grading policy is designed to encourage learning and reduce stress about grades
- Submission requirements:
 - Must be hand-written and clearly legible
 - Scanned/photographed and uploaded to Canvas
 - File size must be under 5MB
 - Files must be easily readable (unclear or excessively large files may receive zero points)

Bi-weekly Quizzes:

- Available on Canvas
- One attempt only
- 60-minute time limit once started
- Multiple-choice format
- Your **lowest** quiz score will be dropped
- The late submission has a 5% penalty per day.

Important Notes:

- The assignments in this course are designed to develop your critical thinking and analytical skills. Using AI technology will limit your ability to develop these skills and meet the course learning objectives.
- Regular engagement with course materials is essential for success
- You are encouraged to form study groups for discussing concepts
- Office hours are available for additional help and clarification
- Start assignments early to avoid technical issues with submission

Exams:

The course includes two closed-book exams: a midterm and a final.

- **Midterm:** Covers all material presented before February 10
- **Final:** Covers all material not included in the Midterm exam

Both exams will consist of multiple-choice questions (MCQs) and short essay questions. No cheat sheets allowed. Simple 4-function or scientific calculators permitted (no graphing calculators). Sharing of calculators is not permitted.

Missed Exams and Make-up Policy:

- Notify the instructor **the same day** if you cannot take an exam.
- Valid reasons for missing an exam:
 - Illness (requires a doctor's note)
 - Serious emergency (requires a proper valid documentation)
 - University-sponsored activities (e.g. sport, debate): let me know well in advance and present a proper valid documentation.
- Make-up exams:
 - Available for the midterm only with valid documentation
 - Must be taken as soon as possible after the original exam date
 - No make-up available for the final exam
- Invalid reasons (e.g., travel, weddings, technical issues) will not be accepted for make-ups.

Course Policies:

Academic Honesty:

- Exams are individual work. Cheating, including but not limited to consulting unauthorized sources during exams, will not be tolerated.
- The Department follows University policy on academic misconduct. Review the policy at: <https://econ.washington.edu/policy-academic-conduct>
- Violations may result in sanctions ranging from warnings to expulsion, and a grade of zero for the course.

Accessibility and Accommodations:

- Students with disabilities should contact Disability Resources for Students (DRS) at 206-543-8924, uwdrs@uw.edu, or disability.uw.edu to establish reasonable accommodations.
- Inform the instructor of DRS-approved accommodations as early as possible.

Religious Accommodations:

- UW's policy is available at: <https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/>
- Accommodations for religious reasons must be requested within the first two weeks of the course using the [Religious Accommodations Request form](#).
- DRS offers resources and coordinates reasonable accommodations for students with disabilities and/or temporary health conditions. Reasonable accommodations are established through an interactive process between you, your instructor and DRS. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law.

Non-Discrimination:

- Respect for diversity is expected from all participants in this course, in accordance with the [UW Student Conduct Code](#).
- This includes respect for: age, cultural background, disability, ethnicity, family status, gender identity, citizenship, national origin, race, religious and political beliefs, sex, sexual orientation, socioeconomic status, and veteran status.

Participation and Attendance:

Participation:

Students are expected to:

- Actively engage with course materials, discussions, and assessments
- Complete assigned readings and exercises
- Contribute to an interactive learning environment
- Respect diverse perspectives of peers

Attendance:

- No formal attendance requirement
- Regular participation strongly correlates with academic success
- Students are responsible for catching up on missed material

Technology Use:

- Handwritten notes are encouraged for better retention
- If using laptops or tablets, please be mindful of distractions
- Silence and stow phones during class

Active participation in class activities is strongly encouraged. It's an opportunity to deepen your understanding and develop your economic reasoning skills. The studies show that the students regularly participating in class-activities do much better in the exams than the students who do not. Power point presentations containing a limited amount of information will be posted on Canvas, but most of the important issues will be discussed in the class. Remember, every question you ask is a step towards mastery. There are no "dumb questions" - only opportunities to learn and grow. Thank you for your cooperation.

Communication Policy:

For course-related questions, please follow these guidelines:

- First, contact your section's TA and allow **2 business** days for response
- If no response after 2 business days, send a reminder to your TA and CC the professor
- Direct all questions to TAs except for exam-related absences, which should be sent to the professor

When emailing, please:

- Use your UW email address or Canvas email
- Include "ECON 422" in the subject line
- Check Canvas announcements and syllabus before emailing

Course Schedule:

The following schedule may be altered according to the instructor's judgment.

Week	Date(s)	Course Content	Readings
1	Jan. 7-9	The investment Environment, Asset Classes, Present Value	Ch. 1 & Ch. 2.1-2.2
2	Jan. 14-16	Risk, Return, and Historical Record Index Model	Ch. 5
3	Jan. 21-23	Risk and Risk Aversion Efficient Diversification	Ch. 6 & Ch 7.1-3
4	Jan. 28-30	Index Models	Ch. 8
5	Feb. 4-6	The Capital Asset Pricing Model	Ch. 9 & Ch. 13.5

Week	Date(s)	Course Content	Readings
6	Feb. 11-13	Midterm Exam Arbitrage Pricing Theory and Multifactor Models of Risk and Return	Ch. 10& Ch. 13.1-3
7	Feb. 18-20	The Efficient Market Hypothesis	Ch.11.1-3
8	Feb. 25-27	Bond Prices and Yields	Ch.14
9	Mar. 4-6	The Term Structure of Interest Rates	Ch.15
10	Mar. 11-13	Option Markets: Introduction	Ch. 2.5, Ch.20

How Do You Study For This Course:

In Econ 201, we build our understanding progressively, starting with foundational concepts and advancing to more complex models. This journey of learning is an opportunity for growth and development of your economic thinking skills.

Time Management and Study Strategies:

- Dedicate at least ten hours a week outside of class time to this course. Consistent effort is key to developing strong problem-solving skills in economics.
- Approach each day as a chance to apply and reinforce your growing economic knowledge. Small, regular study sessions are more effective than cramming.
- When reading assignments, actively engage with the material. Try explaining concepts in your own words, redraw graphs, and connect new ideas to what you already know.
- Experiment with different study techniques to find what works best for you. Self-quizzing, group discussions, and teaching concepts to others are powerful learning tools.
- Some part of your studying is better to be done in small groups of two or three students. Students who study on their own then discuss their work in groups of no more than three understand the material better and feel more engaged with their classes.
- Do not fall behind; keep up with the material on a daily basis; you need to apply your new economics skills every day.
- Read the assignments carefully by keeping pen and paper at your side to work out the various points being made (this is a good idea for any course you take). Redraw every graph to make sure you understand how the graph works and what it shows.
- Highlighting and rereading chapters provide minimal improvements to learning. Instead of rereading use self or group quizzes.

Seeking Support and Collaboration:

- View office hours as an opportunity to deepen your understanding and clarify doubts. Regular attendance can significantly enhance your learning experience.
- Come to office hours to ask questions on a regular basis. Do not put off attending office hours until the day before the exam – it gets too crowded at those times.
- Embrace collaborative learning. Studying in small groups allows you to explain concepts, hear different perspectives, and reinforce your understanding.

Mindset and Approach:

- Remember, economic thinking is a skill that can be developed with practice and persistence. Your abilities are not fixed; they grow with effort and learning.
- Treat challenges and mistakes as valuable learning opportunities. They are not reflections of your capabilities, but stepping stones to deeper understanding.
- Focus on the process of learning and improvement rather than just grades. Your growth in understanding and applying economic concepts is the true measure of success.

By adopting these approaches, you're not just studying for a course; you're developing lifelong learning skills and a mindset that will serve you well beyond this class. Embrace the journey of learning economics with curiosity, persistence, and confidence in your ability to grow and improve.

Recommendation Letters:

If you are considering requesting a letter of recommendation, please note the following requirements:

- You should have taken at least two courses with me.
- Your grades in these courses should be 3.5 or above.
- Active participation in class is expected.
- Provide at least two weeks' notice before the letter is due.

Writing a strong recommendation letter requires substantial time and material. Meeting these criteria ensures that I can write a detailed and effective letter on your behalf. If you meet these requirements and wish to request a letter, please email me with details about the opportunity you're applying for and any relevant deadlines.