### ECONOMICS 136
### READING ASSIGNMENTS AND COURSE OUTLINE

**Text**     Bodie, Kane, and Marcus: *Investments,* Irwin/McGraw-Hill (4th edition), 1999.
**Reader**   Econ 136 Reader, Copy Central, 2560 Bancroft.


Tu          Jan 18          Introduction

Th          Jan 21          Some Fundamentals
                                    Reader: Part I

Tu          Jan 25          The Financial Environment, Returns and Risk Premiums
                                    Text: Chapters 1 &  5 (including appendix)

Th          Jan 27          Risk and Risk Aversion
                                    Text: Chapter 6 (including appendices)

Tu          Feb 1           Combining the Risky Asset with the Risk-Free Asset
                                    Text: Chapter 7

Th          Feb 3           Optimal Risky Portfolios
                                    Text: Chapter 8 (including appendices)

Tu          Feb 8           Capital Asset Pricing Model (CAPM)
                                    Text: Chapter 9 (through p.263 only)

Th          Feb 10          CAPM (continued)
                                    Text: Chapter (through p.263 only, continued)

Tu          Feb 15          Review

Th          Feb 17          **EXAMINATION**
                                    **Covers material through Feb 10**

Tu          Feb 22          Market Efficiency
                                    Text: Chapter 12

Th          Feb 24          Market Efficiency (continued)
                                    Text: Chapter 12 (continued)

Tu          Feb 29          Term Structure of Interest Rates
                                    Text: Chapter 15

Th          Mar 2           Term Structure of Interest Rates (continued)
                                    Text: Chapter 15 (continued)

Tu          Mar 7           Option Markets
                                    Text: Chapter 20

| Th | Mar 9 | Option Markets (continued)<br>Text: Chapter 20 (continued) |
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| Tu | Mar 14 | Option Valuation<br>Text: Chapter 21 |
| Th | Mar 16 | Option Valuation (continued)<br>Text: Chapter 21 (continued) |
| Tu | Mar 21 | Review |
| Th | Mar 23 | **EXAMINATION**<br>**Covers material for Feb 22 through Mar 16** |
| **Tu & Th** | **Mar 28 & 30** | **SPRING RECESS** |
| Tu | Apr 4 | Futures Markets<br>Text: Chapter 22 |
| Th | Apr 6 | Futures Markets (continued)<br>Text: Chapter 22 (continued) |
| Tu | Apr 11 | Futures and Swaps<br>Text: Chapter 23 |
| Th | Apr 13 | Futures and Swaps (continued)<br>Text: Chapter 23 (continued) |
| Tu | Apr 18 | Banks<br>Reader: Part II |
| Th | Apr 20 | Banks (continued)<br>Reader: Part III |
| Tu | Apr 25 | The S&L Debacle<br>Reader: pp. Part IV |
| Th | Apr 27 | The S&L Debacle (continued)<br>Reader: Part IV (continued) |
| Tu | May 2 | The S&L Debacle (continued)<br>Reader: Part IV (continued) |
| Th | May 4 | Review |
| **Wed** | **May 17** | **FINAL EXAMINATION**<br>**5:00-8:00 P.M.** |