

**California Institute of Technology**  
**Division of Humanities and Social Sciences**

Professor Bruno Gerard  
Fall 2004

BEM 104  
Investments

***Information Week 2*** (Oct. 5)

- **VERY IMPORTANT ANNOUNCEMENT:** The classroom for the course has been moved to Moore 080, which is a lecture hall in the subbasement of the Moore Laboratory building. Note that the Moore Building is locked in the evening. Security will unlock the building to let the class in from 6:55pm to 7:15pm and relock the door promptly at 7:15pm. Hence you will be unable to enter the building and get to the classroom after 7:15.
- **Handouts for Today:**
  1. Problem Set #1
  2. Problem Set #2
- **Topics for Today:**
  1. Finish discussion of Asset Pricing, Price-Dividend Ratios and Price-Earnings Ratios
  2. Fixed Income: Yields, Term Structure, Forward Rates, Interest Rate Risk. Slides: *Lecture 2: Fixed Income*
- **Readings for Today:**
  1. BKM Chapters 14-16.
- **Miscellaneous Announcements:**
  1. The best place to get handouts, lecture notes and links is:
  2. A list of suggested problems from BKM is given on the web page. Solutions to the problems will be provided
- **For Next Time:**
  1. Remaining discussion about fixed income.
  2. Lecture Slides: Lecture 3: Allocating Investment Capital
  3. Problem Set #1 due at the beginning of class.
  4. BKM Chapter 6-7 (Some of this will be covered in week 4).