# **Essentials of Investments**

**Ninth Edition** 

**ZVI BODIE** Boston University

**ALEX KANE** University of California, San Diego

ALAN J. MARCUS Boston College



# **Brief Contents**

#### Part ONE

#### ELEMENTS OF INVESTMENTS 1

- 1 Investments: Background and Issues 2
- 2 Asset Classes and Financial Instruments 26
- 3 Securities Markets 54
- 4 Mutual Funds and Other Investment Companies 84

#### Part TWO

PORTFOLIO THEORY 109

- 5 Risk and Return: Past and Prologue 110
- 6 Efficient Diversification 148
- 7 Capital Asset Pricing and Arbitrage Pricing Theory 193
- 8 The Efficient Market Hypothesis 234
- 9 Behavioral Finance and Technical Analysis 265

#### Part THREE

DEBT SECURITIES 291

- 10 Bond Prices and Yields 292
- 11 Managing Bond Portfolios 337

#### Part FOUR

SECURITY ANALYSIS 371

- 12 Macroeconomic and Industry Analysis 372
- 13 Equity Valuation 405
- 14 Financial Statement Analysis 446

## Part FIVE

DERIVATIVE MARKETS 485

- 15 Options Markets 486
- 16 Option Valuation 522
- 17 Futures Markets and Risk Management 561

## Part SIX

ACTIVE INVESTMENT MANAGEMENT 595

- **18** Portfolio Performance Evaluation 596
- 19 Globalization and International Investing 630
- 20 Hedge Funds 666
- 21 Taxes, Inflation, and Investment Strategy 689
- 22 Investors and the Investment Process 714

#### Appendixes

- A References 736
- B References to CFA Questions 742

#### Index I