#### Course Syllabus Fall 2017 – FINC 4345.01 – Investments (CID 82269)

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**Course Objective** 

The aim of FINC 4345 is to help the student become an informed practitioner of investments.

# **Course Description**

This course covers the basics of investments within an integrative framework. The objective is to develop key concepts in investment theory from the perspective of the portfolio manager. This class provides a structure for thinking about investment theory. The course is "applied" in the sense that concepts are applied to real world data. In this course, we will focus on:

- 1.) Features of various financial markets and instruments
- 3.) Risk-return trade-off
- 5.) Valuation of financial assets

- 2.) Types of trades and transactions in these markets
- 4.) Portfolio diversification, formulation, and evaluation
- 6.) Derivative markets and hedging

Given that investment management requires one to understand and deal effectively with randomness, grounding in statistics is essential, and familiarity should extend through multiple regression, covariance and correlation. In addition to the course's technical content, a number of tools, such as Excel modeling and using the internet to locate financial data are investigated.

## **Learning Objectives**

- 1) Acquire analytical skills necessary to pursue a career path in finance that involves investment related activities
- 2) Manage the financing needs of a firm through an understanding of the role of risk and return
- 3) Use of quantitative tools and methods to solve investment related problems

## **Textbook and Resource Materials**

- 1) Jordan, Miller, and Dolvin, <u>Fundamentals of Investments: Valuation and Management</u>, 6<sup>th</sup> edition or newer.
- 2) You will need your financial calculator by the first day of class. A financial calculator is necessary in order to solve both class and exam problems in an efficient and timely manner.

# Office of Services for Students with Disabilities (SSD)

Any student with a disability that affects his/her academic performance should contact the Office of Services for Students with Disabilities in the SHSU Lee Drain Annex (telephone 936-294-3512, TDD 936-294-3786) to request accommodations.

## Grading

This course requires substantial work. Students must be prepared to dedicate a considerable amount of time to completing homework assignments and preparing for exams.

Unannounced Quizzes (approx 3-5)	10%	The weighting assignments in BlackBoard are not official.
Homework Assignments (approx 5-7)	15%	
Midterm Exam 1	25%	
Midterm Exam 2	25%	
Final Exam	25%	
	100%	

All grades are final. Any request for a different grade will not be entertained. In addition to material in the textbook, exams will also test materials covered in class which may not appear in the textbook. No make-up exams will be given. If you happen to miss an exam, the weight associated with that exam will be transferred to the final exam. In addition, your <u>personalized</u> final exam will be heavy on the material which was on the exam you missed. All exams and all your work on exams are the property of the professor.

**Time:** 12:30pm – 1:50pm (T/R) **Office Hours:** 11:30am – 12:30pm (T/R)

#### **Academic Dishonesty**

"All students are expected to maintain complete honesty and integrity in the academic experience both in and out of the classroom. Any student found guilty of dishonesty in any phase of academic work will be subjected to disciplinary action." Code of Student Conduct and Discipline, Section 5.3, as printed in Guidelines. Members of this class are subject to these guidelines.

#### **Course Revisions**

This syllabus is provided for informational purposes regarding the anticipated course content and schedule of classes. It is based on the most recent information available on the date of issuance and is as accurate and complete as possible. I reserve the right to make any changes I deem necessary. I will do my utmost to communicate any changes to the syllabus in a timely manner. Students are responsible for being aware of these changes. Any revisions to the syllabus will be announced in class. Any announced revision supersedes that which is presented in the syllabus.

# **Tentative Schedule of Classes**

Aug 24	Interest Rates (pp 300 - 315)	Chapter 9
Aug 29	Interest Rates (pp 300 - 315)	Chapter 9
Aug 31	Risk and Return (pp 14 - 34)	Chapter 1
Sep 5	Risk and Return (pp 14 - 34)	Chapter 1
Sep 7	Risk and Return (pp 14 - 34)	Chapter 1
Sep 12	The Investment Process (pp 61 - 71)	Chapter 2
Sep 14	The Investment Process (pp 61 - 71)	Chapter 2
Sep 19	The Stock Market (pp 146 - 173)	Chapter 5
Sep 21	The Stock Market (pp 146 - 173)	Chapter 5
Sep 26	Exam 1 (chapters 1, 2, 5, 9)	
Sep 28	Diversification (pp 373 - 396)	Chapter 11
Oct 3	Diversification (pp 373 - 396)	Chapter 11
Oct 5	Diversification (pp 373 - 396)	Chapter 11
Oct 10	Return, Risk, and the Security Market Line (pp 406 - 422)	Chapter 12
Oct 12	Return, Risk, and the Security Market Line (pp 406 - 422)	Chapter 12
Oct 17	Performance Evaluation and Risk Management (pp 441 - 450)	Chapter 13
Oct 19	Performance Evaluation and Risk Management (pp 441 - 450)	Chapter 13
Oct 24	Exam 2 (chapters 11, 12, 13)	
Oct 26	Stock Options (pp 499 - 524)	Chapter 15
Oct 31	Stock Options (pp 499 - 524)	Chapter 15
Nov 2	Stock Options (pp 499 - 524)	Chapter 15
Nov 7	Stock Options (pp 499 - 524)	Chapter 15
Nov 9	Option Valuation (pp 553 - 559) & (pp 565 - 570)	Chapter 16
Nov 14	Option Valuation (pp 553 - 559) & (pp 565 - 570)	Chapter 16
Nov 16	Option Valuation (pp 553 - 559) & (pp 565 - 570)	Chapter 16
Nov 21	Futures Contracts (pp 468 - 477)	Chapter 14
Nov 23	No Class – Holiday	
Nov 28	Futures Contracts (pp 468 – 477)	Chapter 14
Nov 30	Exam 3 (chapters 14, 15, 16)	