

Course Syllabus
Spring 2018 – FINC 4345.01 – Investments (CID 22358)

Professor: Dr. Gutierrez
Office: Room 200E
Phone: 936-294-3380
Email: jag063@shsu.edu

Time: 12:30pm – 1:50pm (M/W)
Office Hours: 11:30am – 12:30pm (M/W)

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:

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| 1.) Features of various financial markets and instruments | 2.) Types of trades and transactions in these markets |
| 3.) Risk-return trade-off | 4.) Portfolio diversification, formulation, and evaluation |
| 5.) Valuation of financial assets | 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, Fundamentals of Investments: Valuation and Management, 6th 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%	<u><i>The weighting assignments in BlackBoard are not official.</i></u>
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 personalized 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.

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

Jan 17	Interest Rates (pp 300 - 315)	Chapter 9
Jan 22	Interest Rates (pp 300 - 315)	Chapter 9
Jan 24	Risk and Return (pp 14 - 34)	Chapter 1
Jan 29	Risk and Return (pp 14 - 34)	Chapter 1
Jan 31	Risk and Return (pp 14 - 34)	Chapter 1
Feb 5	The Investment Process (pp 61 - 71)	Chapter 2
Feb 7	The Investment Process (pp 61 - 71)	Chapter 2
Feb 12	The Stock Market (pp 146 - 173)	Chapter 5
Feb 14	The Stock Market (pp 146 - 173)	Chapter 5
Feb 19	Exam 1 (chapters 1, 2, 5, 9)	
Feb 21	Diversification (pp 373 - 396)	Chapter 11
Feb 26	Diversification (pp 373 - 396)	Chapter 11
Feb 28	Diversification (pp 373 - 396)	Chapter 11
Mar 5	Return, Risk, and the Security Market Line (pp 406 - 422)	Chapter 12
Mar 7	Return, Risk, and the Security Market Line (pp 406 - 422)	Chapter 12
Mar 12	No Class – Spring Break	
Mar 14	No Class – Spring Break	
Mar 19	Performance Evaluation and Risk Management (pp 441 - 450)	Chapter 13
Mar 21	Performance Evaluation and Risk Management (pp 441 - 450)	Chapter 13
Mar 26	Exam 2 (chapters 11, 12, 13)	
Mar 28	Stock Options (pp 499 - 524)	Chapter 15
Apr 2	Stock Options (pp 499 - 524)	Chapter 15
Apr 4	Stock Options (pp 499 - 524)	Chapter 15
Apr 9	Stock Options (pp 499 - 524)	Chapter 15
Apr 11	Stock Options (pp 499 - 524)	Chapter 15
Apr 16	Option Valuation (pp 553 - 559) & (pp 565 - 570)	Chapter 16
Apr 18	Option Valuation (pp 553 - 559) & (pp 565 - 570)	Chapter 16
Apr 23	Option Valuation (pp 553 - 559) & (pp 565 - 570)	Chapter 16
Apr 25	Futures Contracts (pp 468 - 477)	Chapter 14
Apr 30	Futures Contracts (pp 468 - 477)	Chapter 14
May 2	Exam 3 (chapters 14, 15, 16)	