

**Instructor:** Jonathan Breazeale, Ph.D.  
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**Office Phone:** (936) 294-3568  
**Office Hours:** TTh: 8:00 – 9:30 AM [Huntsville]  
TTh: 12:30 – 2:00 PM [Huntsville]

**Course Description:** This course is an advanced analysis and study of the techniques for selecting and combining securities into a portfolio. Content includes setting investment goals, diversification and risk reduction, capital market theory, and portfolio selection models. This course may be taken for graduate credit. Extra work may be required which contains a research component.

**Prerequisites:** FINC 4345 - Investments

**College of Business Administration (COBA) Learning Objectives:**

1. BBA graduates should be competent in the areas of critical thinking and problem solving
2. BBA graduates should be competent in the areas of oral and written communications
3. BBA graduates should be competent in the business foundation
4. BBA graduates should be competent in discipline specific knowledge

**Course Learning Objectives:**

1. Understand the process of portfolio management
2. Understand valuation, risk, return and uncertainty
3. Understand common portfolio objectives
4. Understand investment policy
5. Understand diversification
6. Understand the role of equity in portfolios
7. Understand the role of debt in portfolios

**Course Objectives:**

1. Gain factual **KNOWLEDGE** (terminology, classifications, methods, trends) of portfolio management
2. Learn fundamental principles, generalizations & theories of portfolio management

**Required Course Materials:**

1. **Text:** Strong, *Portfolio Construction, Management & Protection*, 5<sup>th</sup> ed., Thompson Southwestern, 2009. (ISBN: 978-0-324-66510-9)
2. **Financial Calculator** (recommended): Any financial calculator will do, but I recommend the HP 10BII or the TI BAII Plus. You are responsible for understanding how to operate it. Calculator manuals are not authorized references for exams. PDAs with calculator functions are prohibited, & you may not share a calculator with other students.

**Instructor Availability:** I am in my office during the stated office hours. If it is impossible to make my office hours, an appointment should be made ahead of time. Do not come to office hours and expect to be re-taught material covered in class. You are expected to make an attempt to understand the material outside of class before coming for assistance. I highly recommend that you email prior to coming to the office – *even during office hours*.

**Attendance:**

1. Attendance is required, and role will be taken each scheduled class period.
2. Absence(s) of 6 hours or more will result in a final course grade of "F." **This includes absences on exam dates.**
3. **YOU** are responsible for tracking your own attendance. I will not give you a running tally.
4. Only exceptions to this policy are for religious holy days (with written notice to me **in advance**), official Sam Houston State University events (that I have approved **in advance**), and/or injuries resulting in a disability(ies) requiring reasonable accommodation (with appropriate verifiable documentation – including necessary legal releases required for me to converse with your doctors – within **two weeks** of accident or illness).
5. Tardiness is considered rude to both the instructor and to fellow students. At the sole discretion of the instructor, students who are chronically late to class will receive reduction(s) in their grade. **If you enter the classroom after role is taken, it is your responsibility to approach me after class to be marked as tardy rather than absent.** I will liberally estimate the number of minutes you were tardy.
6. See: [http://www.shsu.edu/~vaf\\_www/aps/documents/800401\\_001.pdf](http://www.shsu.edu/~vaf_www/aps/documents/800401_001.pdf)

**Americans with Disabilities Act:**

See: <http://www.shsu.edu/academics/syllabus-guidelines/index.html>.

**Student Absences on Religious Holy Days:**

See: <http://www.shsu.edu/academics/syllabus-guidelines/index.html>.

**Visitors in the Classroom:**

See: <http://www.shsu.edu/academics/syllabus-guidelines/index.html>.

**Academic Dishonesty:**

See: <http://www.shsu.edu/academics/syllabus-guidelines/index.html>.

ANY instance of academic dishonesty will automatically result in a course grade of "F." You will not receive a warning.

**Classroom Points:**

1. No beverages, food, or use of tobacco products is allowed in the classroom.
2. Please turn off cell phones, pagers and any other noise producing instruments prior to the start of class.

**Assessment & Grading:**

1. Grades in this course are curved. This means that your final grade will be determined by how you perform in relation to the performance of your classmates. As such, statistics of each graded exercise will be provided to the class once grades have been recorded.
2. Exams -
  - a. There will be 4 exams - each comprising 15% of your total score. The final exam is comprehensive. If your grade on the final examination is higher than the weighted average of all four exam scores, your grade on the final exam will count 30% of your total score, and the remaining 3 exams will comprise 10% each. If attendance at an exam is 100%, the exam will be reviewed in class. You may not keep exams.
  - b. Make up exams will be considered if (1) you contact me prior to the exam, and (2) provide documentation that your absence is a university approved excuse (i.e. a religious holy day). If the absence does not meet both of these two criteria, the exam grade will be zero.
3. Journal Article – Each student will be required to present a single journal article to the class as if they were the author of the paper. This requirement will comprise 20% of your total grade for the course, and it will require a good deal of interaction with me during office hours. Specific instructions on this requirement will be revealed in a future document.
4. Book Report – One book report is required during the semester. This requirement will comprise 20% of your total score for the course. See appendix A for details on this requirement.
5. If you believe that any of your work is graded or recorded incorrectly, you may submit a written request (email is ok) for review within one week of the time the graded work is returned in class. Any request that is turned in after this deadline will not be considered. The entire submission will be graded again.
6. No incomplete grades will be assigned for marginal or failing grades at the end of the semester.
7. There will be no extra credit work available to improve your final grade.
8. *Do not attempt to negotiate grades with me at the end of the semester.*

**Grade Scenario A**

Exam 1.....15%  
Exam 2.....15%  
Exam 3.....15%  
Exam 4.....15%  
Journal Article..20%  
Book Report....20%

**Grade Scenario B**

Exam 1.....10%  
Exam 2.....10%  
Exam 3.....10%  
Exam 4.....30%  
Journal Article.20%  
Book Report....20%

**Important Dates:**

Exam #1 .....Tuesday, February 13  
Book Selection Letter.....Thursday, February 15  
Exam #2 .....Tuesday, March 6  
Exam #3 .....Thursday, April 5  
Book Report.....Tuesday, April 24  
Exam #4 (Comprehensive).....Thursday, May 10 @ 12:00 PM

**My Score:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Instructor Discretion:** I reserve the right to deviate from this syllabus at my sole discretion if such deviation improves knowledge of course material.

**Conflict with College or University Policy or State Law:** In the event of a conflict between this syllabus and the policies and procedures of the College or University, or the laws of the State of Texas, the policies and procedures of the College or University or the laws of the State of Texas shall control.

## Appendix A Book Report

Twenty percent (20%) of your course grade will be derived from a series of three (3) graded submissions based upon the reading of a book. The purpose of this appendix is to set forth guidance for this requirement.

Suggested Topics: Your book must be written by a practitioner (defined as someone who is engaged in a business role within an institution or the financial markets – NOT a professor) and can be on any topic within the field of Security Analysis & Portfolio Management; however, I briefly offer the following areas as ones which might peak your interest:

- Active Investment
- Passive Investment (Indexing)
- Diversification
- Market Efficiency
- Industry Portfolios
- Socially Responsible Investing

I strongly recommend that, unless your book is historical in nature, that you choose a recently published book.

1. **Book Selection:** A typed business letter indicating your selection is due to me by *the start of class* on February 15<sup>th</sup>. “Start of class” is defined as the moment in which I call the first name on the roll as attendance is taken. Prior to this submission deadline, you must have met with me during regular office hours to discuss your book selection. You must bring a copy of your proposed book to our meeting in order to receive approval, and approval is on a first-come, first-served basis. No two students will be allowed to submit work on the same book. Submissions received after *the start of class* on February 15<sup>th</sup> will not be accepted, and a grade of zero will be recorded for the selection requirement. Submissions received via email will not be accepted. Only hardcopies are allowed.
2. **Written Requirement:** Your written submission is due at the beginning of class on April 24<sup>th</sup>. Submissions received after *the start of class* on April 24<sup>th</sup> will not be accepted, and a grade of zero will be recorded for the written requirement. Submissions received via email will not be accepted. Two submissions are required: (1) A hard copy submission, and (2) a submission via Blackboard. There is no requirement for length, but your paper needs to be short enough to be interesting and long enough to cover what it needs to cover. Your paper should contain five sections (WITH HEADINGS):
  - (1) Introduction – MOTIVATE your paper. Why did you select this book? What did you find most interesting? Give me a summary of what is to come in your write-up.
  - (2) Summary – Provide a narrative of what the author is saying.
  - (3) How the Financial Principles Described in the Book Relate to the Topics We’ve Discussed in Class – Describe how the book agrees or disagrees with the principles we discuss in class. Perhaps your book simply goes into more detail than our discussions – in which case review our class materials & tell me where the author goes from there.
  - (4) Opinion of the Book – What do you think about the message that the author is trying to get across.
  - (5) Conclusion – Summarize the main points of your paper.
3. **Individual Presentation:** You will be required to make a presentation to the class on your book. You may use PowerPoint, handouts, or any other audio or visual aid that you believe helps the class understand what the author of the book is saying and understand your thoughts on and analysis of the book. The order in which individual presentations occur will be determined by random draw, but please note that all written submissions are due at the *start of class* on April 24<sup>th</sup> – regardless of the date on which you present your book to the class.

\*Note: Information contained within all individual presentations is testable on the comprehensive final exam.

**Grading:** The entire project (Selection, Written Submission and Presentation) will be graded on a 100 point scale. Your book selection is worth 10 points, your class presentation is worth 40 points and your written submission is worth 50 points.

**Points**

**I. Book Selection (10 points)**

Met instructor with book during office hours prior to deadline	NO	YES	
Written submission in business letter format	NO	YES	
Submitted Written Selection by February 15 <sup>th</sup> deadline	NO	YES	
Overall quality compared with classmates			
<u>Other Comments:</u>			

**II. Written Submission (40 points) - *Note: Writing will be evaluated by the COBA grader based on college “credibility killers” (See additional handout for more information)***

Submitted prior to April 24 <sup>th</sup> deadline	NO (0 points)	YES (5 points)	
Correct section headings used?	NO (0 points)	YES (5 points)	
Overall appearance of submission	0 1 2	3 4 5	
Appropriate length	0 1 2	3 4 5	
Grammar	0 1 2	3 4 5	
Spelling	0 1 2	3 4 5	
Content	0 1 2	3 4 5	
Overall quality compared with classmates	0 1 2	3 4 5	
<u>Other Comments:</u>			

**III. Class Presentation (50 points)**

Presentation completed within allotted time	NO (0 points)	YES (10 points)	
Use of visual aids (Powerpoint, Handouts, etc.)	0 1 2	3 4 5	
Appropriate design template, Color	0 1 2	3 4 5	
Use of eye contact	0 1 2	3 4 5	
Evidence of preparation & practice	0 1 2	3 4 5	
Content	0 1 2	3 4 5	
Enthusiasm/Passion	0 1 2	3 4 5	
Ability to handle questions	0 1 2	3 4 5	
Overall quality compared with classmates	0 1 2	3 4 5	
<u>Other Comments:</u>			

**Total Score:** \_\_\_\_\_

**I. Presentation (30 points)**

Presentation completed within allotted time	NO (0 points)			YES (6 points)			
Enthusiasm/Passion	0	1	2	3	4		
Use of visual aids (Powerpoint, Handouts, etc.)	0	1	2	3	4		
Appropriate design template, Color	0	1	2	3	4		
Use of eye contact	0	1	2	3	4		
Evidence of preparation & practice	0	1	2	3	4		
Overall quality compared with classmates	0	1	2	3	4		
<u>Other Comments:</u>							

**II. Content (50 points)**

Adequately covered main learning points of the paper	0	2	4	6	8	10	
Introduction	0	1	2	3	4	5	
Hypothesis/Hypotheses	0	1	2	3	4	5	
Sample/Data Description	0	1	2	3	4	5	
Results	0	2	4	6	8	10	
Robustness Checks (if applicable)	0	1	2	3	4	5	
Overall quality compared with classmates	0	2	4	6	8	10	
<u>Other Comments:</u>							

**III. Participation (20 points)**

Number of questions asked in other presentations							
Rank in Class							
Quality of questions	0	1	2	3	4	5	
Overall quality compared with classmates	0	1	2	3	4	5	
<u>Other Comments:</u>							

**Total Score:** \_\_\_\_\_