

**Standard Course Outline**  
FIN 499A&B/699A&B  
Applied Portfolio Management

1. General Information:

Units: 6 credits

Prerequisites:

FIN 499A: FIN 350, IS 301, (or equivalent relevant background) and consent of Instructor;  
FIN 400 and/or FIN 450 or their equivalent are recommended but can be taken concurrently.

FIN 499B: FIN 499A and consent of Instructor.

FIN 499A to be offered in Fall and accepted students must enroll in FIN 499B in Spring.

FIN 699A: FIN 650 (or equivalent) and consent of Instructor.

FIN 699B: FIN 699A and consent of Instructor.

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2. Catalog Description:

FIN 499A and FIN 699A to be offered in Fall, and accepted students must enroll in FIN 499B or FIN 699B, respectively, in Spring.

Participation in management of actual investment portfolio. Research, monitor, and analyze securities and make, buy and sell recommendations for a student-managed investment fund. Contribute to publication of semi-annual fund report. Market, sector, and firm analysis with presentations and outside research.

Letter grade only (A-F).

3. Curriculum Justification:

The course is aligned with the CBA learning goals of critical thinking, business functions, quantitative and technical skills, research capabilities, interpersonal, leadership, team and presentation skills.

4. Course Objectives:

As an honors-type capstone-level class, Applied Portfolio Management entails a very rigorous learning experience that is designed to challenge the students and pull them out of their comfort zones and build up their abilities in a number of areas, including:

- **Research Capabilities**
- **Critical Thinking Skills**
- **Interpersonal, Leadership, and Team Skills**
- **Presentation Skills**
- **Business Analysis Skills**
- **Decision-Making Capabilities**
- **Other Quantitative & Technical Skills**

## 5. Outline of Subject Matter:

	Topics
1	The Portfolio management process: investment policy, objectives & constraints, capital market expectation, asset allocation, active vs. passive management.
2	The EMH, market regularities, and portfolio management
3	Quantitative approaches to investment management: Risk and Return, Security Market Line, Capital Asset Pricing Model, Arbitrage Pricing Theory
4	Macro-economic and market analysis
5	Style / sector / industry analysis
6	Company and security analysis
7	Fundamental vs. technical analysis
8	Company valuation
9	Portfolio performance measurement, analysis, and reporting

In addition, the SMIF students must participate in a number of client presentations throughout the year, the most notable of which involves their participation during the latter part of the Fall semester in the Annual Request-for-Proposal (RFP) Competition conducted by the CFA Society of Orange County Foundation (CFAOCF), the outcome of which determines the size of the CFAOCF portfolio that the CSULB SMIF students will manage during the subsequent calendar year.

## 6. Methods of Instruction:

Because of the honors structure of the program and the applied nature of the responsibilities that the students must meet, the in-class environment for FIN 499/699 follows a structure that combines elements of a graduate seminar and a business meeting for a portfolio management committee.

The primary method of instruction involves lecturing on theories & concepts of Portfolio Management, team-based student presentations, and critiques thereof, which are developed to address the various issues and topics that arise over the course of the year as part of the investment-management and client-relation process.

It is worth emphasizing the importance of self-study, which is a critical element of graduate studies and there is no substitute for self-study.

There are no set textbooks for the course / program, but textbooks that students have found useful in the past in helping them to conduct their analysis and fulfill their responsibilities include:

- *Investment Analysis and Portfolio Management*, 9<sup>th</sup> Ed., by Frank K. Reilly and Keith C. Brown, South-Western/Cengage Learning, 2009.
- *Essentials of Investments*, 8<sup>th</sup> Ed., by Zvi Bodie, Alex Kane and Alan J. Marcus, McGraw-Hill Irwin, 2010.

- Of Permanent Value: The Story of Warren Buffett-A Trilogy, by Andy Kilpatrick, Andy Kilpatrick Publishing Empire (AKPE), April 20, 2010.

Instructors in planning the exams, and other grading procedures, should adhere to the relevant [University Policy on “Grades, Grading Procedures, and Final Assessments, Final Course.”](#)

#### 7. Instructional Policies:

Instructors may specify their own policies with regard to grading, class-room behavior, make-up exam, withdrawal, academic integrity, absences, etc., as long as these policies are consistent with the University policies.

The students are expected to comply with the universally accepted norms of considerate and courteous behavior, and with all University rules and policies found in the current [University Catalog](#). It will be assumed that the students will adhere to the tenets of *academic integrity* as articulated in [Dean’s Letter on Academic Integrity](#) throughout this course.

**Students with Disabilities:** Students with disabilities are responsible for notifying their instructor as early as possible of their needs for an accommodation of a verified disability. A student with a disability is urged to consult with Disabled Student Services as soon as possible in order to identify possible accommodations to enhance academic success.