

Standard Course Outline

FIN 650 Seminar in Investments

I. General Information

Course Number	FIN 650
Title	Seminar In Investments
Units	3.0 credits
Prerequisites	Graduate business standing, FIN 600
Course Coordinator	
SCO Prepared by	Professor S. V. Le
Date prepared/revised	April 25, 2016

II. Catalog Description

Security analysis, portfolio planning, balance and adjustment as related to (1) Individual circumstances of the investor, (2) Specific market conditions and (3) broader financial aspects of the economy. Presentation and interpretation of student reports on selected topics. Letter grade only (A-F). Course fee may be required. Information on fees related to this course can be [found here](#).

III. Recommended Textbooks

Investments, Eighth Edition, by Bodie, Kane and Marcus; McGraw-Hill/Irwin, 2009.
Investments: 10th Edition by Herbert B. Mayo, South-Western CENGAGE Learning
Cases in Investments, Second Ed., By Moses, Kare and Thompson.

IV. Curriculum Justifications

The curriculum is intended to give graduate students advanced knowledge and skills including:

1. To familiarize the student with a variety of investment topics such as the nature and operations of security markets, risk analysis, modern portfolio theory, the capital asset pricing model, valuation models for stocks and bonds, option trading, investment strategies in equity and fixed income securities and the various aspects of investment companies.

2. an insight into the tradeoffs between risk and return among various investment alternatives including individual securities, portfolios and derivatives in the global financial markets
3. an understanding of the roles the financial markets play and the fundamentals of how they work,
4. an appreciation of the roles played and the work performed by various professionals within the financial markets including mutual fund managers, hedge fund managers, financial advisors, financial analysts and pension plan administrators
5. To improve the students' analytical skills and conceptual abilities in the area of investments through the use of case problems in security analysis and portfolio management.

This course will use five mechanisms to allow each individual's analytical talents to emerge and for the instructors to assess the students' progress: (1) tests and problem-solving exercises; (2) case analyses; (3) homework assignments; (4) a group portfolio project; and (5) a research project in which the students are required to select topics, gather real-world data and proceed through all of the financial analysis to address those topics.

V. Course Objectives

Skill- and Content-specific Goals of this course are:

Critical Thinking

Students will be able to integrate and apply their conceptual and theoretical knowledge of investment management, compute related performance measurements, analyze results and deliver recommendations.

Business Functions:

Students will understand the roles the financial markets play and the fundamentals of how they work. Also, they will understand the roles played and the work performed by various professionals within the financial markets

Domestic and Global Environment

Student will evaluate the economic, business and risks of domestic and global strategies to meet the needs of portfolio's investment environment.

Quantitative and Technical Skills:

Students will possess quantitative and technical skills enabling them to improve investment management decisions as investors and as professionals in the financial markets. Students will demonstrate that they can make decisions based on quantitative analysis using the principles, concepts, and techniques through their performance on exams, homework assignments, cases and research projects.

Interpersonal, Leadership Skill and Team Skills:

1. Student will generate team/group decision-making through managing interpersonal conflict, negotiating and integrating and their skills with others' to produce financial management decisions and deliver oral presentations
2. Students will demonstrate that they understand the common errors in team/group decision making and will be able to correct them as a team.

Ethics:

1. Students will demonstrate understanding the importance of compliance with applicable of governmental laws, rules and regulations within the environment where companies and financial institutions are operating.
2. Students will demonstrate to promote organizational culture that encourages ethical conduct and a commitment to compliance with the laws.

VI. Outline of Subject Matter

The topical outline for the course is the following:

Week	Topics	Instructor	Possible Learning Tools
1-2	<u>Overview of international investments and global financial markets:</u> The Investment Process and Financial Concepts: Introduction to Investments, Securities Markets, Investment Companies (Mutual Funds), Real Estate Investment Trust (REIT) and Exchange-Traded Funds (ETFs), Stock Indexes; Margin trading, short-selling.	1	Discussion of "Individual Investment Research Project": Bloomberg terminal, Wharton data base, Value Line data base, Yahoo Finance
3-5	<u>Security analysis - Common stocks:</u> Fundamental approach (Top-down, Bottom-up), Financial Statement analysis, Macroeconomic environment for investment decisions, Valuation of common stock; Technical Analysis; The Efficient Market Hypothesis.	1	Case Analysis # 1: stocks (Group Project). Developing a stock portfolio (Group Project); Stock portfolio # 1 Presentation
6-8	<u>Security analysis - Preferred stocks and bonds.</u> Valuation of Preferred Stocks. Valuation of Bonds, Yield to maturity, Bond Price Theorem, Bond Duration, Bond portfolio duration, Modified duration; Holding Duration, Bond portfolio management: Immunization; Convertible Bonds, Convertible Preferred stocks, Bond Ratings; The Term Structure of Interest Rates EXAM # 1	1	Case Analysis # 2: Bonds, Portfolio Management: Stock portfolio # 2 Presentation (Group Project)
9-12	<u>Portfolio theory, risk analysis and asset allocation:</u> Measurement of portfolio Risk and Return (Harry Markowitz Model), Risk reduction through Diversification, the Efficient Frontier; The Capital Asset Pricing Model, Beta Coefficients, Arbitrage Pricing Theory. Security and portfolio performance evaluation (Sharpe Index, Treynor Index, Jensen Index).	1	Case Analysis #3: Portfolio Management & evaluation. Stock Portfolio # 3 Presentation (Group Project)

13-16	Derivatives: Option Valuation and Strategies: Buy calls, Buy puts, write calls, write puts, Straddles, Spreads, Black-Scholes option valuations, put-call parity, The Hedge Ratio	1	Case Analysis #4: Option Strategies. Stock Portfolio # 4 Presentation (Group Project)
17	Final exam		Individual Investment Research Project due

VII. Methods of Instruction

Lecturing on theories & concepts of finance and applications to international investments. Case analysis, presentation & discussion (group project). Managing an investment portfolio, presentation & discussion (group project). Individual research study (data collection, method of analysis and interpretation of results).

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.”](#)

The textbooks for this course should be chosen in accordance with the [University Policy on textbooks](#). There are many appropriate textbooks for this course; it is generally agreed that none of them is perfect. The following suggestion is based on the special nature of this core MBA course:

- Students will arrive at this course with extraordinary range of backgrounds; and therefore prior knowledge will be highly variable, however,
- Students will have a level of maturity that will enable them to look at a broader picture via more advanced cases, simulations, group projects and
- Examinations must be essay-type and/or problem solving questions and avoid the use of multiple-choice questions.

VIII. Instructional Policy Requirements

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](#), including the [Withdrawal Policy](#) and [Policy on Cheating and Plagiarism](#). 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. Instructors may specify their own policies with regard to plagiarism, withdrawal, absences, etc. as long as these policies are consistent with the above mentioned University policies.

It is expected that all students to attend classes regularly and to be responsible from all materials covered in class, regardless of their attendance. Make-up exams are strongly discouraged and will only be given with documented proof of an excused absence. Acceptability of the excuse will be determined based on the appropriateness of the documents. It is important that the student provides all documentation without special

prompting from the instructor. The student should give earliest possible notification of an anticipated excused absence. The students refer to [the specific university policy](#) on these issues.

Occasionally adjustments in the course assignments become necessary. The students should be notified about changes, if any, and, whenever possible, they should be consulted in advance about any changes.

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.

Academic Senate Policy: COURSE SYLLABI AND STANDARD COURSE OUTLINES
(Supersedes, PS 04-05 and in part, PS 80-08)

It is essential that all students have access to the basic information about the courses in which they are enrolled. Therefore, in every course, the instructor(s) must provide the students with a syllabus in at least 10-point type font and that meets the requirements for the Accessible Technologies Initiative and all other pertinent requirements for the Americans with Disabilities Act (ADA). This syllabus must include, but is not limited to, the information shown in (a) through (i) below.

The syllabus must either be provided in paper copy or be made available in electronic form. If the syllabus is only distributed electronically, the instructor must provide detailed instructions on how to access the syllabus. Unless circumstances dictate otherwise, the syllabus must be provided on or before the time of the second class meeting.

Information that must be included in the course syllabus:

- (a) instructor's name, office number, office telephone number and/or e-mail address, and office hours;
- (b) class term, meeting times, and location;
- (c) course goals and/or objectives and/or expected student learning outcomes;
- (d) required text(s) and/or materials and information on any course fee;
- (e) types and sequence of assignments and basis for assigning course grade;
- (f) how the instructor will interpret the University withdrawal policy in this class;
- (g) a statement of, or reference to where students may find attendance policies and provision for makeup of assignments when there is an excused absence;
- (h) a reminder that it is the student's responsibility to notify the instructor in advance of the need for accommodation of a university verified disability;
- (i) other information essential to the course, for example safety information, information about accessing online resources, information about assignments that must be accomplished at off-campus locations (e. g. field trips, service learning).

