

Standard Course Outline

Global Investments and Financial Modeling

I. General Information

Course Number	GBA 643
Title	Global Investments and Financial Modeling
Units	4.0 credits
Prerequisites	FIN 615
Course Coordinator	Chanwit Phengpis
SCO Prepared by	Peter Ammermann, Steven Le, and Chanwit Phengpis
Date prepared/revised	July 2010

II. Catalog Description

This course integrates two areas in finance: International investment management and financial modeling. Concepts, theories, case studies, portfolio management and individual research projects related to investment management from a global perspective are both discussed and applied through hands-on modeling approaches using real-world data.

III. Curriculum Justifications

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) exams and problem-solving exercises; (2) case analyses using Harvard Business School cases or other cases; (3) computer-based homework assignments; (4) a group portfolio project; and (5) an integrated project in which individual students are required to select topics, gather real-world data and proceed through all of the modeling and analyses necessary to address those topics.

IV. Curriculum and Course Goals and Objectives

The MBA curriculum is designed to provide students with the opportunity to develop knowledge and skills in local and global business practices. The program of study is intended to engage learners in integrative learning experiences across professional, personal, content, and skill areas. Courses within the MBA curriculum should include at least one and up to two of the following:

- **Critical Thinking Skills**- students will be able to demonstrate conceptual learning, critical thinking, and problem solving skills.
- **Interpersonal, Leadership, and Team Skills** - students will be able to demonstrate interpersonal communication and leadership skills to work in a dynamic and diverse world, both independently and in a team environment.
- **Social Responsibility Skills** - students will be able to demonstrate awareness and knowledge of social responsibility, ethical leadership, and corporate citizenship in the domestic and global environment.
- **Business Functions Skills** - students will be able to demonstrate knowledge of today's dynamic business environment through an understanding of all business functions, practices, and related theories and be able to integrate this functional knowledge in order to address business problems.
- **Quantitative and Technical Skills** - students will possess quantitative and technical skills enabling them to analyze, interpret, and communicate business data effectively and to improve business performance.
- **Knowledge of the Domestic and Global Environment** – students will be able to demonstrate knowledge of today's dynamic business environment (e.g. legal, regulatory, political, cultural, and economic) especially the links between our region and the global business world.

Course Goal:

The goal of this course is to develop integrative knowledge and skills in analyzing investment alternatives and developing relevant financial models that enable the valuation and evaluation of those investment alternatives from the perspectives of investors, financial analysts, financial advisors and fund managers in the domestic and global environment.

Course Learning Outcomes:

Upon completion of this course students are expected to be able to:

- (1) have an insight into the tradeoffs between risk and return among various investment alternatives including individual securities, portfolios and derivatives in domestic and global financial markets
- (2) understand the roles the financial markets play and the fundamentals of how they work
- (3) understand of the roles played and the work performed by various professionals within the financial markets

(4) Apply investment management concepts and theories and use financial modeling to conduct independent financial research. An emphasis will be placed on the hands-on approach to gathering and utilizing real-world data, estimating financial models and computing related performance measurements (e.g., efficient frontier, Capital Allocation Line, asset pricing models).

Curriculum Learning Outcomes:

Upon completion of this course students are expected to be able to demonstrate:

Critical Thinking Skills:

As evidenced by students' ability to integrate and apply their conceptual and theoretical knowledge of investment management to estimate financial models, compute related performance measurements, analyze results and deliver recommendations.

Quantitative and Technical Skills:

As evidenced by students' ability to analyze and evaluate investment alternatives and make investment management decisions. Students will demonstrate (through their performance on exams, homework assignments, cases, and research projects) that they can make appropriate decisions based on relevant quantitative analysis that integrate principles, concepts and modeling techniques in investment management.

Interpersonal, Leadership Skill and Team Skills:

As evidenced by students' ability to facilitate group decision-making (through managing interpersonal conflict, negotiating and integrating their skills with others' skills) and produce investment management decisions.

V. Outline of Subject Matter

There are two instructors who teach the course (i.e., instructor 1 and instructor 2). The suggested topical outline for the course is the following:

Week	Topics (Suggested ordering of topics):	Instructor	Possible Learning Tools
1	Overview of international investments and global financial markets	1	Discussion of individual investment research project: Bloomberg terminal, Wharton database, Value Line database, Yahoo Finance
2	Security analysis, screening, and valuation of stocks and bonds	1	Case Analysis # 1: stocks
3	Security analysis, screening, and valuation of stocks and bonds	1	- Case Analysis # 2: Bonds - Portfolio Management: stocks, financial data analysis, national and global economic databases, group portfolio project assigned
4	Data gathering and preparation for financial research	2	Yahoo Finance data and spreadsheet demonstration
5	Descriptive statistics and econometric for financial research	2	Spreadsheet modeling demonstration and assignments
6	Portfolio theory, risk analysis and asset allocation	1	

7	Portfolio theory, risk analysis and asset allocation	1	Case Analysis #3: Portfolio Management and evaluation
8	Estimation and analysis of Efficient Frontier and CAL with and without short selling	2	Spreadsheet modeling demonstration and assignments
9	Estimation and analysis of Efficient Frontier and CAL with and without short selling	2	
10	Mid-term exam	1&2	
11	Models of risk and return and market efficiency	1	
12	Estimating models of risk and return (CAPM, Fama-French, Technical analysis etc.)	2	Spreadsheet modeling demonstration and assignments
13	Estimating models of risk and return (CAPM, Fama-French, Technical analysis etc.)	2	
14	Options and other financial derivatives	1	Case Analysis # 4: Options
15	Security and portfolio performance evaluation (alpha, Sharpe, Treynor, information ratio, style analysis etc. utilizing real-world data)	2	Spreadsheet modeling demonstration and assignments
16	Final exam	1&2	- Individual investment research project due - Group portfolio project presentations

VI. Recommended Textbooks and Cases

Investments, Eighth Edition, by Bodie, Kane and Marcus; McGraw-Hill/Irwin, 2009.

Investment: Concepts, Analysis, Strategy, Fifth Ed., by R. C.Radcliffe.

Cases in Investments, Second Ed., By Moses, Kare and Thompson.

VII. Methods of Assessment/Evaluation

Assessing/evaluating course and curriculum learning outcomes is achieved through exams, cases, computer-based homework assignments, a group portfolio project and an individual investment research project. Details are as follows:

Learning Outcome	Possible methods of Assessment/Evaluation
Course Learning Outcome:	The outcome may be assessed by one or more of the following:
Insight into the tradeoffs between risk and return among various investment alternatives including individual securities, portfolios and derivatives in domestic and global financial markets	- Cases (Weeks 2, 3, 7, 14) - Spreadsheet modeling assignments (Weeks 5, 8, 12, 15) - Mid-term exam (Week 10) - Final exam (Week 16) - Individual investment research project - Group portfolio project
Understanding of the roles the financial markets play and the fundamentals of how they work	- Cases (Weeks 2, 3, 7, 14) - Mid-term exam (Week 10) - Final exam (Week 16) - Individual investment research project - Group portfolio project
Understanding of the roles played and the work performed	- Cases (Weeks 2, 3, 7, 14)

by various professionals within the financial markets	<ul style="list-style-type: none"> - Mid-term exam (Week 10) - Final exam (Week 16) - Individual investment research project - Group portfolio project
Ability to apply investment management concepts and theories and use financial modeling to conduct independent financial research	<ul style="list-style-type: none"> - Spreadsheet modeling assignments (Weeks 5, 8, 12, 15) - Individual investment research project - Group portfolio project
Curriculum Learning Outcome:	The outcome may be assessed by one or more of the following:
<p>Critical Thinking Skills: Ability to integrate and apply their conceptual and theoretical knowledge of investment management to estimate financial models, compute related performance measurements, analyze results and deliver recommendations.</p>	<ul style="list-style-type: none"> - Cases (Weeks 2, 3, 7, 14) - Mid-term exam (Week 10) - Final exam (Week 16) - Individual investment research project - Group portfolio project
<p>Quantitative and Technical Skills: Ability to analyze and evaluate investment alternatives and make investment management decisions based on relevant quantitative analysis that integrate principles, concepts and modeling techniques in investment management.</p>	<ul style="list-style-type: none"> - Spreadsheet modeling assignments (Weeks 5, 8, 12, 15) - Mid-term exam (Week 10) - Final exam (Week 16) - Individual investment research project - Group portfolio project
<p>Interpersonal, Leadership Skill and Team Skills: Ability to facilitate group decision-making (through managing interpersonal conflict, negotiating and integrating their skills with others' skills) and produce investment management decisions.</p>	Group portfolio project

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 polices.

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.