

University of Missouri - St. Louis

Course Syllabus

FIN 3520 - 001

Investments

Fall 2017

M W 12:30 - 1:45 p.m. Anheser-Busch Hall 002

Professor Yiuman Tse

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Office Hours: M W 1:45 - 2:45 pm

Text: *Essentials of Investment* 2016/2017, 10th Edition by Bodie, Kane, and Marcus, McGraw-Hill/Irwin

Syllabus: Undergraduate course in the areas of investments and portfolio management. Topics include Equilibrium in Capital Markets, Market Efficiency, Utility Maximization, Fixed-Income Securities, Securities Analysis, Diversification, Options and Futures, International Financial Markets.

Prerequisites: A minimum campus GPA of 2.0 and Finance 3500.

Class Attributes: Junior & Senior Level, College of Business

Credits: 3

Grade:	Exam I (9/27 Wed, 12:30 pm)	.25
	Exam II (11/13 Mon, 12:30 pm)	.25
	Exam III (12/6 Wed, 12:30 pm)	.30
	Final Project (12/11 Mon, 12:30 pm)	.13
	Class Participation and quizzes	.07+

No make-up exams will be given and late assignments are not accepted. All exams are closed book. Students at the University of Missouri-St. Louis are expected to exhibit the highest standards of academic integrity. Any form of cheating and plagiarism in the exams, quizzes, and final project will earn you a failing grade for the entire course.

Class Schedule (Subject to Change):

<u>Week</u>	<u>Content</u>
8/21	Introduction Chapter 2: Asset Classes and Financial Instruments
8/28	Chapter 3: Securities Markets Chapter 4: Mutual Funds and Other Investment Companies
9/4	Chapter 5: Risk and Return (No class on 9/4, Labor Day holiday)
9/11	Chapter 6: Efficient Diversification
9/18	Chapter 13: Equity Valuation

9/25	Review Exam I (Wed 9/27)
10/2	Chapter 7: Capital Asset Pricing
10/9	Chapter 8: The Efficient Market Hypothesis
10/16	Chapter 10: Bond Prices and Yields
10/23	Chapter 11: Managing Bond Portfolios Chapter 14: Financial Statement Analysis*
10/30	Chapter 15: Options Markets
11/6	Chapter 16: Option Valuation*
11/13	Exam II (Monday 11/13)
11/20	No class, Thanksgiving holiday
11/27	Chapter 17: Futures Markets and Risk Management Project discussions
12/4	Review Exam III (Wed 12/6)
12/11	Final Project (Mon 12/11)

*topics may not be covered.

Note: Chapter 9 (Behavioral Finance and Technical Analysis) will be discussed throughout the course.

Final Project: Exchange-Traded Funds

It is a group project and each group consists of 4 students.

- A. Describe briefly each of the following ETFs (Do not use more than 100 words for each).
1. DBA
 2. DBV
 3. EWJ
 4. GLD
 5. REMX
 6. SKF
 7. USO
- B. Give a detailed univariate analysis of TWO of the above ETFs and SPY in risk and return using historical monthly data. Calculate the return, standard deviation, skewness, kurtosis, and Sharpe ratio.
- C. Give a detail qualitative analysis of TWO of the above ETFs. Attach and highlight five news articles for each ETF to support your arguments
- D. Give a detailed portfolio analysis of TWO of the above ETFs. Use the efficient frontier to obtain optimal weights of the portfolio. Consider your original portfolio is SPY.

The total number of pages is 13-15. About 1-2 pages for part A and six pages (12 font, double space) for each of the two ETFs.

Buying on margin (p.70):

Buy 100 share at \$100 a shr.	
Initial margin	= .6
Maintenance margin	= .3

How far could the stock price _____ before you get a margin call? Let P be the price of the stock.