INVESTMENTS
FIN 3520 – Spr 2017
SYLLABUS

Meeting place and time: Tuesday, 6:55 – 9:35, SSB 216

CLASS DETAILS:
Professor: Dr. Thomas C. Williams
Email: williamsth@umsl.edu
Phone: 314-516-7185
Office: SSB Tower 1103
Office hours: TBA and by appointment

ALL COURSE RELATED MATERIALS WILL BE POSTED ON MYGATEWAY. YOU MUST LOG INTO http://MyGateWay.umsl.edu TO ACCESS FIN 6520 COURSE MATERIALS.

COURSE DESCRIPTION & LEARNING OUTCOMES:
The primary objective in this course is to develop an understanding of the theory and practice of investment analysis. Topics covered include financial asset classes and instruments, risk-return tradeoff, basic equity valuation and analysis, efficient market hypothesis, bond valuation and duration, derivative securities, mutual funds & ETFs. In order to get equipped with the essential skills, we will spend time on the theoretical aspects of valuation as well. The course will integrate lecture, discussion and problem-solving, as the time will be allocated according to the context of the chapter covered. Learning starts with asking the question before finding an answer. So, be prepared to discuss and ask questions regarding the material. Although we will heavily rely on the textbook for the lecture and problems, discussions and test questions related to the in-class discussions will be originated from the articles in the Wall Street Journal and the professional magazines.

PREREQUISITES:
A good grounding in the basic tools for this class is provided in the prerequisites: Financial Management FIN 3500.

REQUIRED MATERIALS:

The Wall Street Journal (WSJ): Students are responsible for reading the WSJ daily and keeping up with changes in money, banking and financial markets. (See “outside reading”, below).

Students should have a financial calculator and should always bring them to class.

OUTSIDE READING:
The Wall Street Journal (WSJ) is an important part of the class, as it describes and discusses many aspects of the U.S. financial system. Students of FIN 3520 are expected to read the WSJ daily, so they can keep current with regard to the changing and evolving financial landscape. Frequently, articles from the WSJ will be used and discussed in the class, and are an important part of the requirements of the course. WSJ material discussed in class will be as much required material as material in the textbook. In addition, exams may ask questions relating articles discussed in class.
Grading:

Homework 20%
Group Projects (3 parts – 10% each) 30%
Mid-term Exam 20%
Final Exam 30%
Total 100%

All exams and other work will be graded on the following Grading Scale:

100-90                  A
89-80 B
79-70 C
69-60 D
59 and below F

No student will be provided with opportunities to earn "extra credit" beyond the assignments described.

All students will be graded according to the above scale and thus should not expect a "curve" in the class. Everyone will be treated the same under this grading system, so you can save yourself some time and embarrassment by not asking for a grade change if you made an 89.4, for example. FOR FINAL GRADES, PLUS AND MINUS LETTER GRADES WILL BE GIVEN WHERE APPLICABLE.

EXAMS (50%):
Exams will be a mixture of multiple choice, short answer questions, and work out problems. There will be two exams during the course of the semester. The final exam will cover all topics since the mid-term exam and all the group project assignments. IT IS NOT COMMULATIVE!!!

Missing an exam:
Unless you have a University approved absence, there will be no make-up exams. Valid excuses should be approved prior to the exam missed. Students missing an exam without a valid excuse will be given a zero on that exam.

HOMEWORK (20%):
Between four and six homework assignments will be given during the semester. There are generally two types of homework assignments; (1) comprised of 4 or 5 problems that will be graded on correctness, (2) 2 – 4 page report covering a topic related to class discussion. Assignments must be turned in on the due date to receive full credit. Late homework will be marked down one letter grade for EACH DAY (NOT CLASS MEETING) the assignment is late.

ATTENDANCE & PARTICIPATION:
Attendance will not be taken and will not figure directly into determining grades. However, some class time will be spent discussing the Wall Street Journal, current financial market conditions, cases, and presentations; thus students should make every effort to attend class. I assume that when you are not in class that you are deriving more utility from some other activity. Therefore, don’t ask me “Is there anything that I need to go over?” but rather get brought up to speed by one of your classmates, team members, and/or the announcements and materials on MyGateWay. While attendance is not explicitly part of your grade, your homework and quiz grade is certainly related to being in class. You are responsible for all material discussed in class (including the presentations by your peers).
GROUP PROJECTS (30%):  
Students will participate in a group-based investment project. Each group will select a buy-  
and-hold portfolio and track the portfolio’s performance for 12 weeks. Each group will pick  
five stocks that have been publicly traded for AT LEAST 5 YEARS. You will have  
$1,000,000 to allocate among your 5 stocks. Note no one stock can make up more than 50%  
of your portfolio.

Each team’s buy-and-hold stock portfolio that outperforms my portfolio will receive  
an additional 10 points on the final exam.

TEAMS:  
Students will choose their teams which MUST be comprised of 2 or a maximum of 3 members.  
Each team must decide on a team name and constitution. The constitution is a 1 - 2 page document  
that outlines the rules, goals, expectations and conflict resolution guidelines for the team. Each team  
will turn in a copy of their constitution. Members will not be asked to evaluate each others’  
performance for grading purposes so choose your teams wisely!!! I strongly advise students  
ot to involve me in any team problems; this is what your constitution is for.

It is my policy that teams do not have to put a student's name on a team assignment if the  
student did NOT provide any work for a particular assignment. HOWEVER, the group needs  
to inform the non-participating member. Team assignments will be graded hard since there are  
multiple students writing and proofreading your team’s work. If any part of a team assignment is  
plagiarized, the entire team will receive a zero on the assignment regardless of whether the  
plagiarism can be traced to one particular member.

ACADEMIC HONESTY  
In all cases of academic dishonesty, for example cheating, plagiarism, or sabotage, the instructor  
shall make an academic judgment about the student's grade on the work involved. Since this  
judgment is often a grade of zero, its assignment may result in a failing grade for the course. The  
complete Campus policy on academic dishonesty may be found under “Student Conduct Code” in  
The Student Planner or at  
http://www.umsl.edu/studentlife/dsa/student_planner/policies/conductcode.htm

CLASSROOM CIVILITY:  
Students are expected to assist in maintaining a classroom environment conducive to learning.  
To assure that all students have the opportunity to gain from time spent in class, students are  
prohibited from using cellular phones, making offensive remarks, reading the newspaper, sleeping,  
or engaging in any other form of distraction, without the permission of the instructor. Inappropriate  
behavior in the classroom will result in the student being requested to leave the class, at a minimum.

STUDENTS WITH DISABILITIES:  
Any student who, because of a disabling condition, may require some special arrangements in order  
to meet course requirements should contact me as soon as possible, to make necessary  
accommodations. Students should present appropriate verification from Disability Access  
Services in the 144 Student Center along with the special arrangements required.
## Class Schedule: This Schedule is tentative!!

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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Jan 17</td>
<td>Introduction, Review</td>
</tr>
<tr>
<td>Jan 24</td>
<td>Chapter 2: Asset Classes and Financial Instruments</td>
</tr>
<tr>
<td>Jan 31</td>
<td>Chapter 3: Securities Markets</td>
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<td>Chapter 4: Mutual Funds and other investment firms</td>
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<td>Feb 7</td>
<td>Chapter 5: Risk and Return</td>
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<td>Feb 14</td>
<td>Chapter 6: Efficient Diversification (covar, correl)</td>
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<td>Feb 21</td>
<td>Chapter 8: The Efficient Market Hypothesis</td>
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<td>Feb 28</td>
<td><strong>Exam #1</strong></td>
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<td>Mar 7</td>
<td>Chapter 13: Equity Valuation</td>
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<tr>
<td>Mar 14</td>
<td>Chapter 14: Financial Statement Analysis</td>
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<td>Mar 21</td>
<td>Chapter 7: Capital Asset Pricing and APT</td>
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<td>Mar 28</td>
<td><strong>Spring Break</strong></td>
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<tr>
<td>Apr 4</td>
<td>Chapter 10: Bond Prices and Yields</td>
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<td>Chapter 11: Managing Bond Portfolios</td>
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<td>Apr 11</td>
<td>Chapter 15: Options Markets</td>
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<td>Apr 18</td>
<td>Chapter 17: Futures Markets &amp; Risk Mgmt</td>
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<td>Apr 25</td>
<td>Chapter 9: Behavioral Finance</td>
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<td>May 2</td>
<td>Review</td>
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<td>May 9</td>
<td><strong>Final Exam 7:45 – 9:45PM</strong></td>
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