

College of Business Administration  
University of Missouri - St. Louis

Course Syllabus  
FINANCE 3598/6590 Seminar: CFA Level I Review Course  
Spring 2016  
5:30 - 6:45 pm T R  
SSB 202

Instructor: Professor Yiuman Tse  
Office: T1108  
Office phone: 516-6828  
Email: tseyi@umsl.edu  
Office hours: 4:30 - 5:30 pm T R and by appointment

Text: Lecture notes posted online  
Reference: *Essentials of Investment* 2013, 9<sup>th</sup> Ed by Bodie, Kane, and Marcus, McGraw-Hill/Irwin; *Investments* 2013, 10<sup>th</sup> Ed by Bodie, Kane, and Marcus, McGraw-Hill/Irwin.

Prerequisite: Finance 6500 or 3500

Recommend: Finance 6520 or 3520

Course Objective: This course reviews various topics in investment management. It prepares students for the CFA (Chartered Financial Analyst) Level I Exam. The topics include (1) portfolio management, (2) fixed income analysis, (3) equity analysis, (4) economics in a global context, (5) derivatives, (6) alternative investments, and (7) Ethical and Professional Standards. Note that the course does NOT cover all the CFA study sessions such as accounting and quantitative methods. Students not taking the CFA exam will still find this course useful if they are interested in current topics in investment and portfolio analysis.

Grading Policy:	Exam I (3/10/2016 Thur, 5:30 - 6:45 pm)	30.0
	Exam II (5/5/2016 Thur, 5:30 - 7:00 pm)	42.0
	Exam III (Take-home 5/10/2016 Tue, 5:30 pm)	14.0
	Homework, quiz, class participation, etc	14.0

All the exams and quizzes follow the format of the CFA Level I exam. <http://www.cfainstitute.org/cfaprogram/Pages/index.aspx>) It is composed of multiple choice questions only. Each question has three choices, A, B, and C. Exam III may cover some topics (in the CFA Level I curriculum) that will not be discussed in class. Students are required to self-study these topics.

Sample question:

Portfolio diversification is *least likely* to protect against losses:

- A during severe market turmoil
- B when markets are operating normally
- C when the portfolio securities have low return correlation

## **Class schedule (subject to change)**

*Lecture notes will be posted on MyGateway a day before class.*

- January 2016**      **Portfolio Management (Study Session 12)**
- a. portfolio management: an overview (R41)
  - b. risk management: an introduction (R42, new)
  - c. portfolio risk and return: Part I (R43, LY42)
  - c. portfolio risk and return: Part II (R44, LY43)
  - d. basics of portfolio planning and construction (R45, LY44)
- February 2016**      **Equity (Study Sessions 13 & 14)**
- a. Market organization and structure (R46, LY45)
  - b. Security market indices (R47, LY46)
  - c. Market efficiency (R48, LY47)
  - d. Overview of Equity Securities (R49, LY48)
  - e. Introduction to Industry and Company Analysis (R50, LY49)
  - f. Equity Valuation: Concepts and Basic Tools (R51, LY50)
- March 2016**      **Fixed Income (Study Sessions 15 & 16)**
- a. Fixed-Income Securities: Defining Elements (R52, LY51)
  - b. Fixed-Income Markets: Issuance, Trading, and Funding (R53, LY52)
  - c. Introduction to Fixed-Income Valuation (R54, LY53)
  - d. Introduction to Asset-Based Securities (R55, LY54)
  - e. Understanding Fixed-Income Risk and Return (R56, LY55)
  - f. Fundamentals of Credit Analysis (R57, LY56)
- April 2016**      **Economics in a Global Context (Study Session 6)**
- a. International Trade and Capital Flows (R20)
  - b. Currency Exchange Rates (R21)
- Derivatives (Study Session 17)**
- a. Derivative Markets and Instruments (R58, LY57)
  - b. Basics of Derivative Pricing and Valuation (R59, LY58)
  - f. Risk Management Applications of Option Strategies (R59, LY62)
- Alternative Investments (Study Session 18)**
- a. introduction to alternative investments (R61, LY60)
- May 2016**      **Ethics and Professional Standards (Study Session 1)**
- a. Code of Ethics and Standards of Professional Conduct (R1)
  - b. Guidance for Standards (R2)
  - c. Introduction to the Global Investment Performance GIPS (R3)
  - d. Global Investment Performance Standards (GIPS) (R4)

## **Calculator**

Texas Instruments BA II Plus (including BA II Plus Professional) or Hewlett Packard 12C (including the HP 12C Platinum, 12C Platinum 25th anniversary edition, 12C 30th anniversary edition, and HP 12C Prestige). These calculators are approved by the CFA Institute.