SYLLABUS – FINANCE 3520

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Includes Thomson ONE - Business School Edition
Frank K. Reilly - University of Notre Dame
Keith C. Brown - University of Texas at Austin
1088 pages, casebound ©2011 published

- Active use of UMSL e-mail
- Active use of mygateway
- Signed Responsibility Statement (Due: 1/26/11)

Recommended: Subscription to the Wall Street Journal
Course Documents (available on mygateway)

Prerequisites: Financial Management 3500, or equivalent, and an overall GPA of
2.0 or better.

Objective: To lay the foundation for the valuation and analytical skills
necessary to construct portfolios containing common stock,
mutual funds/ETFs, bonds and money market instruments.

Grading Criteria: Your course grade will be determined by your performance on the
midterm, the final, 4 quizzes, stock selection, class participation and
class work. The relative weights of the above in the computation of your final
grade will be:
If you miss the midterm you may not make it up for any reason. However, if you have an approved absence a final comprehensive exam will be administered during the regularly scheduled final exam period. Both the mid-term and the final are the property of the professor and will not be released to the student.

Your grades will not be recorded after January 26th, 2011 unless you have turned in a signed Responsibility Statement (found at the end of this document).

Attendance is REQUIRED in order to pass the course since Class Work credit cannot be made up for any reason. You are required to bring your calculator to class every class period and actively participate in the class discussion in order to earn Class Participation credit.

If you miss a quiz, it can be re-scheduled as long as: (i) the solution has not been reviewed in class or posted on-line and (ii) the professor has indicated that your absence is excused. Even so, a 10% grade penalty will be applied to the late quiz. If the quiz is not completed prior to the class review (or posting on mygateway) of the solution, then it is not possible to take a make-up for any reason and you will receive a grade of zero (even if your absence is approved).

All quizzes and exams will be proctored by my research/teaching assistant.

Suggestion: Save your work (i.e. exams, quizzes and class work) until the end of the semester.

Students are responsible for material covered in the pre-requisite classes. For example, financial statement analysis, an understanding of the time value of money and algebra are necessary tools for successful completion of Investments.
STOCKS

Review of the Structure of the Capital Market (Chapter 4)
- **Chapter 4:** Questions 1, 3, 4, 5, 13
- Problems 1, 2, 3, 4, 5, 6, 7

“Wall Street: The Great Game” (Video)

Margin Trading (Pages 109-113)

Common Stock Valuation (Chapter 14)
- **Chapter 14:** Questions 17, 20, 27
- Problems 5, 10, 12

Technical Analysis and Behavioral Finance (Chapter 15)
- **Chapter 15:** Questions 3, 13
- Problems 4, 5

Analysis of Market Indices (Chapter 5)
- **Chapter 5:** Questions 1, 9
- Problems 1, 4, 6

MUTUAL FUNDS AND ETFs

Mutual Funds and ETFs (Chapter 24)
- **Chapter 24:** Questions 4, 9, 10
- Problems 1, 2, 3, 8

Market Efficiency (Chapter 6)
- **Chapter 6:** Questions 1, 2, 3, 9, 10
- Problems None

Measures of Risk and Return (Chapter 1)
- **Chapter 1:** Question 1
- Problems 2, 3, 5, 6, 9, 10

Portfolio Theory (Chapter 7)
- **Chapter 7:** Questions 1, 4
- Problems 3, 4, 6

Capital Market Theory (Chapter 8)
- **Chapter 8:** Questions 4
- Problems 3, 4, 5

Investment Performance Analysis (Chapter 25)
- **Chapter 25:** Questions 3, 8
- Problems 1, 3, 5, 6, 9, 10
Bonds
Bond Valuation (Chapter 17)

- **Chapter 17:** Questions 2, 7, 8
  Problems 1, 4

Duration and Convexity (Chapter 19)

- **Chapter 19:** Questions 3, 6
  Problems 2, 3, 4, 7

Term Structure of Interest Rates (Chapter 18)

- **Chapter 18:** Questions 5, 8
  Problems 3, 5, 7, 12

Money Market Instruments
Money Market Instrument Analysis (Lecture)

Important Dates:
2. The midterm is scheduled for **March 16th**, 2011.
3. No class on March 28th and 30th – Spring Break
4. The final exam is scheduled for **Monday May 9th**, 2011. See the University schedule of exams for time.
IMPORTANT NOTE

Extra credit is sometimes provided during the semester. However, it is NOT possible for one individual student to receive extra credit work unless it is made available to all students equally. A PENALTY WILL APPLY TO STUDENT WHO REQUEST INDIVIDUAL EXTRA CREDIT.

FINAL GRADES WILL BE ASSIGNED USING THE FOLLOWING SCALE

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Grade</th>
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<tbody>
<tr>
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<td>A</td>
</tr>
<tr>
<td>90.0000%-92.9999%</td>
<td>A-</td>
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<tr>
<td>87.0000%-89.9999%</td>
<td>B+</td>
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<tr>
<td>83.0000%-86.9999%</td>
<td>B</td>
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<tr>
<td>80.0000%-82.9999%</td>
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<tr>
<td>59.9999%-Below</td>
<td>F</td>
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*It is possible to earn more than 100% since extra credit work is made available to all students equally throughout the semester.
I have read and understood the contents contained in the syllabus. I agree to abide by all of the terms outlined in the syllabus during the Winter Semester of 2011. The professor has adequately addressed all of my questions or concerns relating to the syllabus. **Do not sign until you really do understand the syllabus.** I further understand that I am responsible for the prerequisite material required for this class and that under NO circumstances will extra credit opportunities be given to me except when provided to the class as a whole.

Print Name: ____________________________________________

Signature: ____________________________________________

Date: ________________________________________________