SYLLABUS FIN 510 Summer 2020: INVESTMENTS SEMINAR - ONLINE

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Office Hours: With appointment using Skype, phone or email.

Course Description/Expected Outcomes:

This course is designed to provide intermediate-level understanding in making investment decisions. Students are expected not only to have an overview about how professional investors think, but also to learn basic pricing theories on major financial instruments. Furthermore, students are expected to have enough tools to be able to create and maintain a basic investment portfolio. Topics covered include: principles governing the proper investment of personal and institutional funds, investment techniques, information sources, security analysis, exchanges and regulations, real estate investment concepts and principles. In addition, students are expected to demonstrate their knowledge with a real-life project. Please see below for a detailed list of concepts which will be covered this semester.

Course Format:

• Lectures and Assignments – The course will be conducted using video lectures I record for each topic with discussions and questions encouraged. Some out-of-class assignments might be given (not for extra credit).

- Exams 2 midterms and 1 <u>comprehensive final</u> (3 exams total)
- Project A pricing project will be announced mid-semester for you to complete
- Trading Simulation
- There are NO EXTRA CREDIT OFFERED!

I will send an email to announce a lecture or an exam when they are ready. <u>PLEASE</u> <u>CHECK YOUR TAMUC EMAIL AT LEAST ONCE A DAY!!</u>

You are 100% responsible for any and every announcement I make via email. I expect you to be aware of all announcements within 24 hours of the time I send an email.

<u>I DO COVER additional material which are not in your book. Your in-class notes</u> are very important and you ARE responsible for any material covered in class.

The order which I cover the topics sometimes will NOT follow the order of the book chapters. I've adjusted my teaching over the years to better serve students' learning abilities.

Topics List:

Logic of Investment Money Market Securities **Capital Market Securities** Fixed Income Securities **Issuing of Securities** Types of Markets Market Order Types Margin Trading Short Selling Rates of Return Arithmetic vs. Geometric Returns **Expected Return** Variance and Standard Deviation Covariance and Correlation **Risk Premium and Risk Aversion Capital Allocation Line** Modern Portfolio Concept and Diversification Complete Portfolio Efficient Frontier Portfolio Variance and Optimum Portfolio Concepts Capital Asset Pricing Model Assumptions Constructing the CAPM model **Overpriced and Underpriced Securities** Fama-French Three Factor Model Momentum Carhart Four Factor Model Efficient Market Hypothesis Passive vs. Active Investment Strategies Market Anomalies Fundamental vs. Technical Analysis Introduction to Derivative Securities Introduction to Options Trading Introduction to Real Estate Financing

Textbook:

Required Text: Investments. Bodie, Kane and Marcus ISBN 9780077861674 10th Edition (or later edition).

Y<u>ou can use earlier versions of the book but please do so at your own risk!</u> I will be covering material from and make references to the 10th edition. If you chose to use another book, it is your responsibility to follow/match material or research missing material from your version on your own!

The specific exam dates

Exam 1 – Start Friday June 12 10:00 a.m. and Close Sunday June 14 10:00 p.m. (Covers Lectures 1 – 5)
Exam 2 – Start Friday June 19 10:00 a.m. and Close Sunday June 21 10:00 p.m (Covers Lectures 6 – 9)
Final Exam (Comprehensive) – Start Friday June 26 10:00 a.m. and Close Sunday June 28 10:00 p.m (Covers lectures 1 – 11)

Project Due Date: Friday, June 26 at 10:00 p.m. CST (exactly)

CALCULATOR: Given that many of the standard financial calculations performed in finance can be easily done with a <u>financial calculator</u>, I suggest you purchase (or borrow) a financial calculator such as Texas Instruments BAII Plus, Hewlett Packard 10BII or anything you prefer as long as it is a financial calculator. Although we don't use the calculator heavily in this class (except for Real Estate Financing Section), a financial calculator will be advantageous to have not only when you take other business classes, but also when making personal financial decisions throughout your lifetime. I use a BAII Plus and will be referencing that calculator while solving problems (when needed).

Video Lectures: I will record a review session for each topic for each week. <u>I will let</u> you know when those recordings are available. Please wait for my email for the lectures before you panic. I will do my best to post all lectures and exams in a timely manner, but please be patient and I promise to give you ample time to complete any lecture/exam. I will try to put them in an MP4 format so you can download and watch the lectures in different devices.

Grading:

I will drop your lowest midterm exam (but NOT the final). The final exam is comprehensive and you WILL receive a zero if you miss it.

Grading structure: 40% Highest Midterm 40% Final Exam 10% Project 10% Trading Simulation This grade distribution for this option is as follows:

90 - 100% = A 80 - 89% = B 70 - 79% = C 60 - 69% = D Below 60% = F

Above cut-offs are non-negotiable. Please at no time request to be "bumped up" a letter grade because you are "so close." For example an 89 is a B. I only consider a curve at the end of the semester after I look at the class average. This will be done at my discretion and is in no way guaranteed (and most likely **won't** happen). Whatever I do for one I do the same for the entire class. <u>No special consideration is given to graduating students, etc.</u> All is equal in my classes.

TECHNICAL PROBLEMS AND QUESTIONS

Personal computer problems **<u>do not</u>** excuse the requirement to complete all course work in a timely and satisfactory manner. Each student needs to have a backup method to deal with these inevitable problems. These methods might include the availability of a backup PC at home or work, the temporary use of a computer at a friend's home, the local library, Office Services such as Kinko's, an Internet cafe, or a bookstore such as Barnes & Noble, etc. <u>There are absolutely no make-ups or re-do's for any reason</u>. Please use a reliable computer/software for exams. If your computer freezes for some reason, you are allowed to go back to the exam. However, the time is still ticking as if you were continuing to take the exam. So get back in the exam ASAP.

Technical assistance is available 24 hours a day/ 7 days a week. If you have questions related to eCollege, A&M-Commerce's online course management system, click on "TECHNICAL SUPPORT" on the left side of your course screen. An email box will appear. Fill out this technical support form, click submit, and your questions will be forwarded to the technical support staff. A resolution will be sent to you from the technical support staff via email. If at any time you experience technical problems (e.g., you can't log in to the course, you can't see certain material, etc.) please contact the eCollege HelpDesk, available 24 hours a day, seven days a week. The HelpDesk can be reached by sending an email to helpdesk@online.tamuc.org or by calling 866-656-5511. Additionally, you can click on the "Help" button located at the top of each page for more information.

If you use an Internet Service Provider other than the university, please contact a company representative if you are having difficulty accessing the Internet. Other support questions may be addressed to Computing, Telecommunications, and Information Systems (CTIS). The CTIS help desk is staffed Monday-Friday from 8am – 5pm and can be reached at 903-468-6000. The after-hours and weekend emergency phone number is 877-808-1607. When the after-hours support number is dialed, the answering service representative will ask for your name and phone number. The representative will then contact the on-call CTIS technician who should return your call within about 15 minutes.

POLICY ON LATE WORK

Late work WILL NOT BE ACCEPTED for online classes and no excuse are accepted as several days are given for the completion of assignments and/or exams

CLASS ETHICS

You are expected to maintain high standards of integrity and honesty while pursuing your academic goal(s). The university's statement on academic honesty is found in the Texas A&M University-Commerce Procedures, A13.12, Academic Honesty. Academic dishonesty is defined in the following manner:

"Academic dishonesty includes, but is not limited to, plagiarism (the appropriation or stealing of the ideas or words of another and passing them off as one's own), cheating on exams or other course assignments, collusion (the unauthorized collaboration with others in preparing course assignments), and abuse (destruction, defacing, or removal) of resource material."

Moreover, while taking any of the quizzes or exams in this course, your <u>only</u> outside source of information should be the textbook, your own personal notes, and a financial calculator or a spreadsheet program (i.e. EXCEL) by which to solve financial calculations. You are not allowed to consult with any other reference material or person while taking an exam.

Students found to have committed academic dishonesty will automatically receive a failing grade for the course and face possible expulsion from the university. <u>OTHER IMPOTANT INFORMATION</u>

- All Students enrolled at the university shall follow the tenets of common decency and acceptable behavior conductive to a positive learning environment (See current Student Handbook).
- A&M Commerce will comply in the classroom, and in online courses, with all federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.
- The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

Office of Student Disability Resources and Services Texas A&M University - Commerce Gee Library, Room 132 Phone: (903) 886-5150 or (903) 886-5835 <u>StudentDisabilityServices@tamuc.edu</u>

Texas Senate Bill - 11 (Government Code 411.2031, et al.) authorizes the carrying of a concealed handgun in Texas A&M University-Commerce buildings only by persons who have been issued and are in possession of a Texas License to Carry a Handgun. Qualified law enforcement officers or those who are otherwise authorized to carry a concealed handgun in the State of Texas are also permitted to do so. Pursuant to Penal Code (PC) 46.035 and A&M-Commerce Rule 34.06.02.R1, license holders may not carry a concealed handgun in restricted

locations. For a list of locations, please refer to

((<u>http://www.tamuc.edu/aboutUs/policiesProceduresStandardsStatements/rulesProcedures/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf</u>) and/or consult your event organizer). Pursuant to PC 46.035, the open carrying of handguns is prohibited on all A&M-Commerce campuses. Report violations to the University Police Department at 903-886-5868 or 9-1-1.