

Syllabus
FIN 510-81E: Investments Seminar
Fall 2012: August 27 – December 14
Web Enhanced Instructional Method
[All times in Central Standard Time (CST)]

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Hours: Monday 12:00-5:00, other by appointment.

Website: eCollege online access to the course at <http://online.tamuc.org>

Course Description:

Catalog: A comprehensive study of security selection and analysis techniques and of security markets and how they are affected by the domestic and international economic, political, and tax structures. Group discussion, individual and group research, and the computer are utilized.

Updated: FIN 510 examines contemporary theoretical concepts and practical issues in investment management. The course focuses on stock and bond portfolios, covering the investments in terms of their institutions, valuation, selection, asset allocation, risk assessment, and performance measurement. The theories are examined with mathematical rigor, not for the sake of theory itself but for the purpose of yielding practical strategies and professional knowledge and insight for the investment manager.

Prerequisites:

FIN504 - Managerial Finance (*not to be taken concurrently!*), or consent of instructor.

Overall Course Objectives:

FIN 510 is structured around three broad learning objectives. Upon completion of the course, you should be able to:

1. Know the terminology and functions of the financial markets and institutions involved in the issuance and trading of capital market securities.
2. Perform and utilize the calculations involved in the financial analysis of capital market securities.
3. Assess the tradeoffs between alternative investments in capital market securities and apply that assessment to the selection of optimal investment strategies.

A grading rubric for your achievement of the course objectives is provided at the end of this syllabus.

Learning Aids:

- a. The textbook we will use is Essentials of Investments, 8th Edition, by Bodie, Kane, and Marcus, ISBN 978-0-07-338240-1 (MHID 0-07-338240-X) or part of ISBN 978-0-07-733918-0 (MHID 0-07-733918-5), published by McGraw Hill.
- b. Online textbook support is available at <http://highered.mcgraw-hill.com/sites/007338240x>. Click on the Student Edition for links to chapter quizzes and other resources.
- c. Several financial calculators have been designed specifically for the types of calculations performed in this course. These calculators can also be useful outside of the classroom when making personal financial decisions. In this course, lectures and PowerPoint slides will be oriented toward the Texas Instruments BAII Plus, which costs about \$30. Another excellent financial calculator is the Hewlett Packard 10B. Most advanced mathematical calculators such as the TI-83 contain the financial functions needed for the course. If you already have one of these calculators then they will do just fine, although be aware that you will receive limited guidance on how they work. Make sure you have the manual and the time to figure them out on your own. If you need to purchase a calculator, the TI BA-II+ is recommended. Its quality is outstanding as is the HP's, but it tends to be easier for those who do not use a financial calculator frequently. For in-class exams, you are not permitted to use any device with communication capabilities (e.g., an iPhone or iPad) or with a built-in dictionary (i.e., translators). *Any calculator other than the TI and HP must be approved by the professor before it can be used on an exam.*
- d. You are expected to know what is currently going on financially in the *real world*. The basic premise underlying the pedagogy of the course is that the best way for you to learn about investments is not merely by watching a professor do it, but by taking a semester to "live" the subject. This means thinking through the concepts on your own, reading the financial news (particularly The Wall Street Journal), watching business news on TV (e.g., Bloomberg, CNBC, or Fox Business), and even viewing popular movies about Wall Street.

Grading:

To implement the grading rubric, an overall score will be calculated as a weighted average of your points earned on (1) a mid-term exam with 45% weight, (2) a final exam with 45% weight, and (3) a trading contest for the remaining 10%. Both exams will be closed-book, largely if not entirely multiple-choice, and most of you should be pressed for time in taking them. (If you are a slow exam taker or need open books or notes then you are advised to go elsewhere for this course.)

Your overall score then will be placed in the customary grade scale: *A for 90 and above, B in the 80s, C in the 70s, D in the 60s, and F below 60*. There will be no rounding per sé to the next highest integer, e.g., 69.9 is in the 60s and hence is a D. However, solely at the professor's discretion, exceptional performance by a student during class discussion (which you can't achieve if you do not attend) and other non-exam activities (such as helping your classmates in the eCollege weekly discussion forum and identifying articles in *The Wall Street Journal* that relate to the material being learned) may be considered in close borderline cases (as in 89.7). Failure to attend and participate in class will not help your case. Others may hurt it, such as: answering questions incorrectly because you are not prepared for the discussion, disrupting class by arriving late or leaving early, wasting class time by asking questions that you should have known the answer to if you had listened better or read the text more closely. In a nutshell, it boils down to whether you are conducting yourself

professionally and responsibly, or are you doing things that are disappointing and perhaps even aggravating. If you want help on a borderline grade, you have a chance with the former. Don't even think about it if your behavior is the latter.

Be aware that the exams in this class are challenging. It is the nature of the material. The basic grading process is straight-forward: either you selected the correct choice for each question or you did not. On this basis, it is likely that several of you probably will not even answer half of the questions correctly. To account for the difficulty, some professors put only the easiest questions on an exam or ask mainly ones that everyone should have already seen from weekly quizzes and graded homework. I'm sorry; my class is not a make-work course. I leave it up to you to decide whether to learn from taking online quizzes or working problems in the text. Everyone learns differently. Some of you will need to work as many problems as you can find. Others may need only a few. This is a graduate-level course and you will have to make those decisions yourself. I only care about the results.

So, if I can't use quizzes and homework to inflate your grade, how else can I take into account the difficulty of the material? My approach is to augment the scoring by treating some questions on the exam as bonus -- in that if you miss such questions then no points will be deducted whereas points will be added for the bonus questions answered correctly. The determination of which question ends up as a bonus is based on an algorithm that evaluates how many in the class missed it. This way, a very difficult question -- which some professors might leave off an exam because few would be expected to answer it correctly -- can be included on mine so as to give credit to those with the superior knowledge, while not penalizing others for failing to have that degree of expertise. Your score will not be less for having missed a bonus question. Just make sure that you get the more basic, easier questions right.

In part, as a final way to help you raise your grade, as noted above a stock trading contest will contribute 10% of your grade, reducing the combined weights of the exams to 90%. You will be evaluated in the contest not only on the success of your trades (which can contribute up to 20 points of your total score) but also on the extent to which you carry out various tasks (worth 80 points). The grading procedure is to subtract point(s) for each task not fulfilled on time. These tasks will be laid out in the contest instructions which will be provided to you before the contest begins in a few weeks. There is no reason all 80 points should not be earned. It is just a matter of being responsible enough to perform the tasks by their due dates. Your rank in the contest will count toward the final 20 points of your contest grade. Assuming all 80 points for required tasks have been earned, the top performer in the class then would reach a grade of 100, with the worst getting an 80. Others will be ranked on a sliding scale between these extremes, resulting in an average grade (assuming a class of responsible students) of 90. As an added benefit then for those who characteristically do not do well on exams, this assignment can boost your overall score and might be the difference in passing the course or not.

I would hope that since this is your chosen field that the motivation and ability would be strong enough for everyone to earn at least a B. Yet, customarily, about a fifth of the class won't. The biggest problem is that this is not a subject that can be crammed at the last moment. The material has to seep-in slowly. That's a prime reason it is vital that you attend each class. It encourages you to keep up. Another cause for poor grades is that there are some who look at investment books in Barnes & Noble thinking that it would be nice to learn this material by taking a class on it. FIN 510 is not a community college course or weekend seminar on investing. This is tough. Enter at your own risk!

If you wish to dispute the accuracy of your grade, all graded material will be kept for one week only following the end of the semester, after which time no grade will be open to reexamination.

Preliminary Schedule:

WEEK of THURSDAY

1	Aug 30	Introduction - Ch. 1 (skim), read ahead
2	Sep 6	Ch. 2.3, Ch. 3.1-.4&.8
3	13	Ch. 3.5-.7, Ch. 2.4
4	20	Ch. 9
5	27	Ch. 12
6	Oct 4	Ch. 14
7	11	Ch. 13
8	18	Ch. 8
9	25	<u>EXAM 1</u>
10	Nov 1	Ch. 4 (on own), Ch. 5.1-.4, Ch. 6.6 as reference
11	8	Ch. 5.5-.6, Ch. 6.1-.4, Ch. 7.1-.3
12	15	Ch. 7.4-.5, Ch. 6.5, Ch. 18 (pp.582-6)
13	22	<i>Thanksgiving Break (no class)</i>
14	29	Ch. 2.2, Ch. 10.1-.5
15	Dec 6	Ch. 11.1-.3, Ch. 10.6
16	13	<u>EXAM 2</u>

Updates and additional detail will be provided in the weekly outline for the course in eCollege.

Seeking Assistance & Course Learning Strategy

I will be available by email (which I endeavor *but do not promise* to answer within 24 hours) and during office-hours to help you with individual questions you may have about the course. However, before running to the professor to ask a specific question you are encouraged first to check with your classmates. One of the best ways to retain and strengthen your understanding of the material is to assist others in their learning and to build off one another's knowledge and experience. Everyone has something to offer. Get to know your classmates. Whether looking for a job lead, a movie review, or some other personal life issue, all of you share something in common – your university and a desire to learn and further your career. Take advantage of the networking possibilities and friendships that can be gained by communicating among yourselves. To facilitate this communication, one of the benefits of a web enhanced course is that eCollege provides a forum which makes it easy to work together outside of the classroom. Our web page contains a chat area for each week of material. Before asking me a chapter-specific question, first seek the aid of your classmates by posting it that week's Discussion Thread. There is a Student Lounge where more informal discussions can take place. Please be aware that I do not participate in either of these chat forums. They are for you students.

As discussed earlier, this is not a course that can be crammed into your head a few study sessions before the exam. You must keep up. Actively participate in the course each and every week by reading the text, attending class, doing the publisher's online quizzes and working problems in the book, making thoughtful contributions in the weekly discussion threads, and even chatting with classmates. The best way for you to learn about investments is not merely by watching your professor and the textbook authors do it, but by taking a semester to "live" the subject. This means thinking through the concepts on your own and staying current on the financial news. The trading contest is designed to promote these behaviors. It will necessitate keeping up with *The Wall Street Journal* and knowing what is being covered on the financial TV channels. The point is to get engaged. And not just occasionally, but continually. You might be one of the few who can pass the course by cramming the night before. But why waste the opportunity? Learn finance by living it.

Student Behavior and Considerations:

Refer to the Student's Guide Book located at: www.tamu-commerce.edu/studentlife/guidebook.htm

All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment.

Students enrolled in online courses have the same rights and responsibilities as students in live, face-to-face courses.

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."

When taking an exam or conducting any other graded assignment in this course, you are not allowed to consult with any other person nor provide such aid to another student. The principle is simple: your grade is to reflect your work alone, and likewise your classmates' grades reflects their work alone and not yours.

Students found to have committed academic dishonesty will automatically receive a failing grade for the assignment and possibly the entire course, as well as face possible expulsion from the university.

To take this course, you must indicate by signature your agreement to the above and the statements provided on the College of Business and Technology Academic Honesty Policy.

STUDENTS with DISABILITIES: 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
Fax: 903-468-8148
Email: StudentDisabilityServices@tamuc.edu

Technical Problems/Questions

Personal computer problems **do not** 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.

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. They will then contact the on-call CTIS technician who should return your call within about 15 minutes.

Grading Rubric -- Upon completion of the course, students should be able to:

Objectives	1 (Unsatisfactory)	2 (Emerging)	3 (Proficient)	4 (Exemplary)
Know the terminology and functions of the financial markets and institutions involved in the issuance and trading of capital market securities.	Student shows limited knowledge of even the more basic institutional aspects of stock and bond investing.	Student shows knowledge of many of the basic but few of the advanced institutional aspects of stock and bond investing.	Student shows knowledge of most of the basic and many of the advanced institutional aspects of stock and bond investing.	Student shows thorough knowledge of both basic and advanced aspects of stock and bond investing.
Perform and utilize the calculations involved in the financial analysis of capital market securities.	Student shows limited ability to perform or utilize even the simple calculations of capital market security analysis.	Student shows the ability to perform and utilize many of the simple but few of the complex calculations of capital market security analysis.	Student shows the ability to perform and utilize most of the simple and many of the complex calculations of capital market security analysis.	Student shows mastery in performing and utilizing both the simple and complex calculations of capital market security analysis.
Assess the tradeoffs between alternative investments in capital market securities and apply that assessment to the selection of optimal investment strategies.	Student shows limited knowledge of the tradeoffs between alternative capital market investments.	Student demonstrates knowledge of many of the tradeoffs in capital market investments but lacks sufficient understanding to formulate suitable investment strategies.	Student demonstrates both knowledge and understanding of most of the tradeoffs in capital market investments but shows only modest ability to formulate appropriate strategies.	Student shows thorough knowledge and understanding of the tradeoffs in capital market investments and demonstrates the ability to establish optimal investment strategies.