

FIN 3750: Introduction to Investments

<i>Instructor</i>	<i>E-mail</i>	<i>Office</i>	<i>Office Hours</i>
Helen Saar, Ph.D.	Canvas mail & saar@dixie.edu	HAZY 344	T 2:30 to 3:30 pm

Class time: TTr 1:00 pm to 2:15 pm

Classroom: HAZY 229

Pre-requisites

Fin 3150 Managerial Finance I

Summary of the Class

This course is designed to explain the substantive parts of investment theory with application to practice. This course is **theory based**. Theory explains the “why” in financial decision making. Although we explore applied knowledge, even the most successful student will still require some training to show the “how” in an investment profession. Most of the descriptive material necessary for the study of investment theory will be discussed. More emphasis will be placed on applying the analytical and quantitative skills you have acquired in your prior classes. The underlying theme is the **valuation of financial securities**. The ultimate goal is to develop **critical thinking** so as to evaluate dispassionately the merits and demerits of different securities and security derivatives.

Course description from the Catalog

Required of students pursuing an emphasis in Finance or BS in Finance; open to other interested students in the School of Business. Highlights investment markets, transactions, return and risk measures, stock and preferred stock analysis and valuation, mutual funds, portfolio building and management, and derivative securities.

Textbooks and required readings

Fundamentals of Investments

by Jordan, Miller and Dolvin

ISBN: 9780078096785

Textbooks are **mandatory** in the class. It is important that you have either a hard copy or ebook of the textbook. The assigned chapters should be read **before** class. Please refer to tentative class schedule for when the readings are due.

You will also be given online readings throughout the semester. Other materials you need, will be provided by the instructor or will be available on Canvas.

Udvar-Hazy School of Business Learning Outcomes (LO)

This course is intended to address the following program learning outcomes on the introductory and developmental levels:

1. A working level knowledge of the core functional areas of business:
 - A. Students will demonstrate a working level knowledge of core business functions in accounting, economics, finance, information systems, international business, legal and social environment, marketing, and management.
 - B. Students will be able to analyze a complex business situation, identify relevant business issues, opportunities and problems.
2. The ability to apply higher levels of critical thinking:
 - A. Students will be able to analyze business situations by performing appropriate quantitative and qualitative analysis, synthesize to form alternative solutions; and make recommendations for viable courses of action.
3. The interpersonal and communication skills necessary to succeed in business:
 - A. Students will deliver professional quality oral presentations
 - B. Student will prepare professional quality written presentations
 - C. Students will identify the essential elements of successful teamwork and will reflect upon their competency and experiences in applying them
4. The ability to identify and resolve ethical issues:
 - A. Students will analyze a complex business situation, identify relevant ethical issues and suggest ethical courses of action.

Course Objectives

The objectives of the FIN3750 Investments class are

1. Develop a working financial vocabulary [LO 1A]
2. Analyze and evaluate the risk of different asset classes and individual securities [LO 2]
3. Analyze and evaluate the return of different asset classes and individual securities [LO2]
4. Formulate a risk/return profile for an individual financial security [LO 2]
5. Analyze, assess and formulate the value of a financial security (stock, bond, option, etc.) and present the results in a professional report and oral presentation [LO 1B, 2 & 3C]
6. Create a mean-variance optimized portfolio [LO 2]
7. Research a technical trading pattern and report to the class [LO 2 & 3A]
8. Discuss common ethics issues relating to personal and agent investing [LO 1B]

Canvas

As an Udvar-Hazy School of Business student you will need to have a laptop and Internet access. If you do not have Internet access at home, you can access Canvas in the library at the Holland Centennial Commons, UHB Lab 200, or at the Smith Computer Center. Course readings, assignments and discussions will be posted on Canvas. You are to submit all assignments on Canvas by deadline. Late work is not accepted!

Calculator & MS Excel

You must have a financial calculator to get through the course. Many of the homework and exam problems involve complex financial calculations and a financial calculator is necessary to solve them. I recommend Texas Instruments BA II Plus. It is your responsibility to familiarize yourself with the user's manual of your calculator! Access to MS Excel is necessary. You can use computer labs. In-class and homework problems require you to do your work in Excel. Knowledge and skills from FIN 4380 Financial Modeling course may be helpful.

Class Notes and Assignments

All lecture notes, external readings, and assignments can be downloaded from *Canvas*®. Quizzes and Problem Sets will be posted on *Canvas*® and need to be taken or turned in on *Canvas*® by the assigned deadline. Assignment deadlines will NOT be changed. **Late work is NOT accepted!**

What I Expect of You

I will come to class prepared with application problems and ancillary material. It is your responsibility to read the assigned chapter before class and do your own research on the topics outside of class. Come to class prepared with questions. I find that students that only make a cursory review of the chapter struggle with following the topics in class and following the discussions and in-class problems/cases.

- **Come prepared for every class!** Preview the chapter, complete the reading assignment, attempt the homework and come with questions. I reward the curious student.
- Come to class. **Participate** in class discussions and online discussions on Packback platform.
- Form or join and participate in a **study group**.
- Do all the assigned readings, homework assignments, and suggested study problems and questions in a **timely manner**.
- Come in during **office hours** or make an appointment whenever you're having difficulty or have questions you would like to discuss outside of class.

Course Assignments

Problem Sets

I teach a flipped classroom and most of our class time will be spent on solving problems and cases. But that may not be sufficient to master the topics. It is beneficial to solve as many exercises, questions and problems at the back of each chapter as possible.

I will recommend some problems from the back of the chapter to work at home. These problems will **NOT** be graded. The way to get high grade in the class is to work through these problems after class. If you start early you can take notes and **ask questions in class**. I encourage you to **work in a study group** helping each other solve the end of chapter problems.

Quizzes

Quizzes will be posted on *Canvas* and/or conducted in class. They are designed to check if you have read the assigned readings and know the key terms and definitions. Canvas quizzes are generally up on Canvas at least one week before deadline. Canvas will not allow you take quizzes late, so manage your time accordingly. One of the lowest graded quizzes will be dropped.

Class Participation

Getting actively involved in class during lectures. You can do that by answering questions asked by instructor or raising questions that are related to the class topic. You can also follow current news and bring to class news articles that are related to the topics in this class.

Online Discussions on Packback

The **Packback Questions** platform will be used for online discussion about class topics. Packback Questions is an online curiosity community where you can be curious, and ask the BIG questions about how what we're studying relates to life and the real world.

In order to be an active member and receive credit, please **Ask 1 Question and 2 Answers per week** relevant to our class subject matter per week for at least nine weeks of the semester! There will be a Saturday 11:59 PM deadline for submissions in your community each week.

To start posting on Packback Questions:

1. Navigate to <https://Packback.co/questions> and click "Register as a new student".
2. Make sure to register with your SCHOOL email address and real first and last name.
3. Enter our class community's access code into the "Join a new Community" module.
Our Community access code: **58E0E03B-BB4F-5FEC-8529-036EDE964A5B**
4. Follow the instructions on your screen to finish your registration, and then click into our class Curiosity Community.

Exams

There will be two exams: mid-term exam and a final exam. The exams will not be comprehensive. Each exam will consist of a combination of objective (multiple choice) questions and analytical problems. You must have a written medical excuse to be absent from the exam.

Stock Valuation Project

In preparation for the Portfolio Practicum class (FIN 4750), you will have the opportunity to analyze and present a stock analysis on a publicly traded stock. You can pick one publicly traded company. Be creative in your choice, as I have really good benchmarks for the classics – Apple, WalMart etc. The key to getting a good grade for the project is working on it throughout the semester and getting feedback from me. The final report has to be of professional quality – simple and clear formatting, good writing, strongly supported findings, clear conclusion and of course correct information. More details of this project will be discussed in class.

Technical Analysis Presentation (Group presentation)

You will be asked to present on one technical analysis technique. The presentation should be maximum **10 minutes**. More details of the assignment will be given in class. Your presentation should include the following:

- Definition and brief description of the technique
- Application of the technique on the market data of the public stock you are analyzing.

Course Grade

Your course grade will be based on the total points accumulated on the various assignments completed. The following weights pertain to those assignments:

◆ Online Discussions on Packback:	10%
◆ Quizzes:	10%
◆ Valuation Project:	30%
◆ Technical Analysis Presentation:	10%
◆ Portfolio of 10 stocks (Excel & Report): ..	10%
◆ <u>Exams (2):</u>	<u>30%</u>
100%	

The letter grades will be assigned as follows:

93% and up – A	83.0-86.9% – B	73.0-76.9% – C	63.0-65.9% – D
90.0-92.9% – A-	80.0-82.9% – B-	69.0-72.9% – C-	60.0-62.9% – D-
87.0-89.9% – B+	77.0-79.9% – C+	66.0-68.9% – D+	Below 60% – F

Class Rules and expectations

Students who attend class, come to class prepared, and participate tend to do better in this class. This class requires you to take active role in your learning. Come to class prepared and get involved. It is my responsibility as an instructor to manage the classroom environment to ensure a good learning climate for all students. I expect you to help by doing the following: (1) turn off your cell phones; (2) do not talk when the presenter is talking; (3) speak and act respectfully to the fellow students; (4) use your laptop or tablet for class purposes only; and (5) please be on time to class!

Student Rights and Responsibilities Policy:

<http://catalog.dixie.edu/codeofstudentrightsresponsibilities/>

Disability Accommodations

If you are a student with a medical, psychological, or learning disability or think you might have a disability and would like accommodations, contact the Disability Resource Center (652-7516) in the North Plaza and inform me at the **beginning** of the semester. The Disability Resource Center (<http://dixie.edu/drcenter/>) will determine eligibility of the student requesting special services and determine the appropriate accommodations related to their disability.

Academic Integrity

In order to ensure that the highest standards of academic conduct are promoted and supported, students must adhere to generally accepted standards of academic honesty, including but not limited to, refraining from cheating, plagiarizing, falsification, misrepresentation, and/or inappropriately collaborating. The University shall hold students accountable for instances of academic dishonesty and apply appropriate consequences. Refer to **Student Rights and Responsibilities Policy, Section 4 part XI** for detailed definitions about student misconduct: <http://catalog.dixie.edu/codeofstudentrightsresponsibilities/> .

Title IX Statement

DSU seeks to provide an environment that is free of bias, discrimination, and harassment. If you have been the victim of sexual harassment/misconduct/assault we encourage you to report this to the college's Title IX Director, Cindy Cole, (435) 652-7731, cindy.cole@dixie.edu. If you report this to your instructor or the teaching assistant, she or he must notify the DSU Title IX coordinator about the basic facts of the incident.

Additional Resources

Additional Syllabus Information: <https://academics.dixie.edu/syllabus/>

Library: <http://library.dixie.edu>

Writing Center - http://new.dixie.edu/english/dsc_writing_center.php

Testing Center - <http://dixie.edu/testing>

Tutoring Center - <http://dsc.dixie.edu/tutoring/>

Career Center - <http://career.dixie.edu/>

The Office of Ombuds: <http://ombuds.dixie.edu/>

Tentative Class Schedule

Week	TOPICS	ASSIGNMENT DUE	READINGS
1	Introduction History of Risk & Return	Stock pick for the Project	Ch. 1.
2	Investment Process Different Security Types		Ch. 2 & 3
3	Stock Market Common Stock Valuation	Outline of Project	Ch. 5 & 6
4	Common Stock Valuation		Ch. 6.
5	Common Stock Valuation	1st Draft of Project	Ch. 6 & 17
6	Market Efficiency Behavioral Finance		Ch. 7. Ch. 8
7	Technical Analysis	Technical Analysis Presentations	
8	Bonds: Risk & Return Fall Break	Mid-term Exam	Ch. 9 & 10
10	Bonds: Risk & Return Diversification		Ch. 18 Ch. 12
11	Portfolio Construction & Evaluation	2nd Draft of Project	Ch. 13
12	Portfolio Performance		Ch. 13
13	Mutual Funds Derivatives	10 stock Portfolio	Ch. 4 Ch. 14 – 16
14	Derivatives Thanksgiving		Ch. 14 – 16
15	Derivatives		Ch. 14 – 16
16		Valuation Presentations Final Valuation Report due: December 8	
17	Final Exam		