**University of Texas at Arlington**

**College of Business**

# FINANCE 3315: INVESTMENTS (Section 003)

**Fall 2017**

**Tuesday & Thursday, 7:00 pm–8:20 pm, PKH 102**

**INSTRUCTOR**: Mrs. Xia (Summer) Liu, Ph.D. Candidate, MS Finance
**OFFICE**: COBA 622
**TEL**: 817-272-3705 (please use email – easier to reach me at)

**E-MAIL**: xia.liu@uta.edu

**OFFICE HOURS**: Tuesday and Thursday, 5:30 pm–6:30 pm; and by appointment

**COURSE DESCRIPTION**

This course introduces students to the principles governing the proper investment of personal and institutional funds, information sources, security analysis, and exchanges and regulations.

**STUDENT LEARNING OUTCOMES**

At the conclusion of the course, the students will be able to:

1. describe the major types of financial securities and the types of markets in which they trade.
2. discuss the mechanics and implications of buying on margin, short selling, and the types of trading orders an investor might place.
3. describe how to value bonds.
4. describe the techniques used to analyze the value of stocks.
5. discuss how to decide the proportion of money to be allocated to risk-free securities and the proportion to risky securities.
6. explain how to achieve the best trade-off between portfolio risk and reward.
7. describe the major types of stock options.
8. explain the issues unique to international investing.

**PREREQUISITE**

ECON 2306, ACCT 2302, and 60 credit hours

**REQUIRED TEXTBOOK/TOOLS**

**Text:** *Essentials of Investments,* 10th edition, Bodie, Kane and Marcus, 2017

**Financial Calculator:** TI BAII+, HP 10-B, or equivalent (Must be able to calculate IRR of irregular cash flows. No cell phone calculators are allowed.)

**RECOMMENDED READING**

*Wall Street Journal*, [www.bloomberg.com,](http://www.bloomberg.com/) finance.yahoo.com

**COVERAGE**

The following topics and chapters will be covered.

Foundations of Investments

Chapter 1 – Investments: Background and Issues
Chapter 2 – Asset Classes and Financial Instruments Chapter 3 – Securities Markets

Chapter 4 – Mutual Funds and Other Investment Companies

Portfolio Theory

Chapter 5 – Risk and Return
Chapter 6 – Efficient Diversification

Chapter 7 – Capital Asset Pricing and Arbitrage Pricing Model

Chapter 8 – The Efficient Market Hypothesis
Chapter 9 – Behavioral Finance

Debt Securities

Chapter 10 – Bond Prices and Yields

Security Analysis

Chapter 12 – Industry Analysis
Chapter 13 – Equity Valuation
Chapter 14 – Financial Statement Analysis

Derivative Securities

Chapter 15 – Options Markets
Chapter 16 – Option Valuation

Performance Evaluation

Chapter 18 – Portfolio Performance Evaluation

International Investing

Chapter 19 – Globalization and International Investing

Some of the above chapters will be covered in more detail than others.

**COURSE REQUIREMENTS**

*Exams*

- There are two midterm tests and a final exam. The final exam will be **comprehensive**.

- Exams may consist of multiple choice problems, short answer, true/false, or any combination. The exams will be closed book and closed notes.

- You can have a formula sheet (size: 8.5x11) for all your exams. You can use only **one side** of the formula sheet. The formula sheet can only have mathematical formulas. Examples or conceptual materials (e.g., non-mathematical definition, explanation, classification, etc.) are NOT allowed on the formula sheet. The formula sheet can be hand-written, typed, or printed.

- You should bring your calculator to the exams. Sharing of calculators and the use of a laptop or any other electronic device will not be allowed.

- Cheating, or other misconduct may result in an automatic F for the course.

*Individual Project*

You need to pick one U.S. stock and complete industry analysis and stock valuation. A spreadsheet analysis and a write up are required to submit. Details of project requirement will be covered in class.

*Homework*

End of chapter questions & problems and other questions & problems will be assigned as homework. You do not have to submit the solutions to the homework. For greater learning, you should work on the homework before going over the solutions provided by me. Some of the problems on the exams will be similar to the problems in the homework.

*Attendance*

Attendance Policy: Students are expected to attend each class and students are expected to come to each class with their assignments completed. Any student who must miss a class is responsible for securing any and all assignments for coursework missed. While attendance is not mandatory, there will be material covered in class that cannot be found in the book or on Blackboard that may be on the tests. I may take attendance quizzes for extra credit if necessary, and no make-up is allowed.

**GRADING**

Test I and II 50% (25% x2)

Individual Project 15%
Final Exam (Comprehensive) 35%

The final letter grade will be based on the following schedule:

90 - 100 A

80 - 89.99 B

70 - 79.99 C

60 - 69.99 D

< 60 F

**COURSE SCHEDULE**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** |  | **Topic** |  |  |
| **Aug 24** | Thursday | Syllabus, Self-Introduction |  |  |
| **Aug 29** | Tuesday | Chapter 1 |  |  |
| **Aug 31** | Thursday | Chapter 2 |  |  |
| **Sep 5** | Tuesday | Chapter 3 |  |  |
| **Sep 7** | Thursday | Chapter 3, Chapter 4 |  |  |
| **Sep 12** | Tuesday | Chapter 4 |  |  |
| **Sep 14** | Thursday | Chapter 5 |  |  |
| **Sep 19** | Tuesday | Chapter 5, Chapter 6 |  |  |
| **Sep 21** | Thursday | Chapter 6 |  |  |
| **Sep 26** | Tuesday | Chapter 7 |  |  |
| **Sep 28** | Thursday | Catchup, Review for test I |  |  |
| **Oct 3** | Tuesday | **Test I** (on Chapters 1–6) |  |  |
| **Oct 5** | Thursday | Chapter 7, Chapter 8 |  |  |
| **Oct 10** | Tuesday | Chapter 8, Chapter 9 |  |  |
| **Oct 12** | Thursday | Chapter 10 |  |  |
| **Oct 17** | Tuesday | Chapter 12 |  |  |
| **Oct 19** | Thursday | Chapter 13 |  |  |
| **Oct 24** | Tuesday | Chapter 13, Chapter 14 |  |  |
| **Oct 26** | Thursday | Chapter 14 |  |  |
| **Oct 31** | Tuesday | Individual Project Introduction |  |  |
| **Nov 2** | Thursday | Catchup, Review for test II |  |  |
| **Nov 7** | Tuesday | **Test II** (on Chapters 7-10, 12–14) |  |  |
| **Nov 9** | Thursday | Chapter 15 |  |  |
| **Nov 14** | Tuesday | Chapter 15, Chapter 16 |  |  |
| **Nov 16** | Thursday | Chapter 16 |  |  |
| **Nov 21** | Tuesday | Chapter 18 |  |  |
| **Nov 23** | Thursday | Thanksgiving Holiday |  |  |
| **Nov 28** | Tuesday | Chapter 19 |  |  |
| **Nov 30** | Thursday | Review for final exam**Individual Project Due at 11:59pm** |  |  |
| **Dec 5** | Tuesday | Review for final exam |  |  |
| **Dec 14** | Thursday | **Final Exam 8:15 - 10:45 p.m.** |  |  |

**RELEVANT UNIVERSITY CALENDAR DATES**

|  |  |  |
| --- | --- | --- |
| Sep 11 | Monday | Census Date |
| Nov 1\* | Wednesday | Last Day to Drop Classes |

\* If you want to receive a “W”, you must drop the class by this date. In accordance with the university policy, I will not give a “W” grade to anyone after this date.

**NOTES**

-There will be no makeup quizzes or tests. If you have to miss a test because of an excusable and verifiable reason, you must contact me **before** the test. Failing to do so or failing to provide documentation of the reason for absence from a medical doctor or UTA official will result in a grade of zero on the missed test. If I were to excuse you from a test, the weight of the missed quiz or test will be added to the weight of the comprehensive final exam.

-During the class, please do not do anything not related to what we are covering in class.

-I will often send information via Blackboard/e-mail to your UTA e-mail address. It is your responsibility to check your UTA e-mail account.

-I reserve the right to make any modifications to this syllabus.

**Drop Policy:** Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. **Students will not be automatically dropped for non-attendance**. Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (<http://wweb.uta.edu/aao/fao/>).

**Disability Accommodations:** UTArlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including *The Americans with Disabilities Act (ADA), The Americans with Disabilities Amendments Act (ADAAA),* and *Section 504 of the Rehabilitation Act.* All instructors at UT Arlington are required by law to provide “reasonable accommodations” to students with disabilities, so as not to discriminate on the basis of disability. Students are responsible for providing the instructor with official notification in the form of **a letter certified** by the Office for Students with Disabilities (OSD).Only those students who have officially documented a need for an accommodation will have their request honored. Students experiencing a range of conditions (Physical, Learning, Chronic Health, Mental Health, and Sensory) that may cause diminished academic performance or other barriers to learning may seek services and/or accommodations by contacting:

**The Office for Students with Disabilities, (OSD)** [www.uta.edu/disability](http://www.uta.edu/disability) or calling 817-272-3364. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at [www.uta.edu/disability](http://www.uta.edu/disability).

Counseling and Psychological Services, (CAPS) [www.uta.edu/caps/](http://www.uta.edu/caps/) or calling 817-272-3671 is also available to all students to help increase their understanding of personal issues, address mental and behavioral health problems and make positive changes in their lives.

**Non-Discrimination Policy:** *The University of Texas at Arlington does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disabilities, genetic information, and/or veteran status in its educational programs or activities it operates. For more information, visit*[*uta.edu/eos*](http://www.uta.edu/hr/eos/index.php)*.*

**Title IX Policy:** The University of Texas at Arlington (“University”) is committed to maintaining a learning and working environment that is free from discrimination based on sex in accordance with Title IX of the Higher Education Amendments of 1972 (Title IX), which prohibits discrimination on the basis of sex in educational programs or activities; Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits sex discrimination in employment; and the Campus Sexual Violence Elimination Act (SaVE Act). Sexual misconduct is a form of sex discrimination and will not be tolerated.*For information regarding Title IX, visit* [www.uta.edu/titleIX](http://www.uta.edu/titleIX) or contact Ms. Jean Hood, Vice President and Title IX Coordinator at (817) 272-7091 or [jmhood@uta.edu](jmhood%40uta.edu).

**Academic Integrity:** Students enrolled all UT Arlington courses are expected to adhere to the UT Arlington Honor Code:

*I pledge, on my honor, to uphold UT Arlington’s tradition of academic integrity, a tradition that values hard work and honest effort in the pursuit of academic excellence.*

*I promise that I will submit only work that I personally create or contribute to group collaborations, and I will appropriately reference any work from other sources. I will follow the highest standards of integrity and uphold the spirit of the Honor Code.*

UT Arlington faculty members may employ the Honor Code in their courses by having students acknowledge the honor code as part of an examination or requiring students to incorporate the honor code into any work submitted. Per UT System *Regents’ Rule* 50101, §2.2, suspected violations of university’s standards for academic integrity (including the Honor Code) will be referred to the Office of Student Conduct. Violators will be disciplined in accordance with University policy, which may result in the student’s suspension or expulsion from the University. Additional information is available at <https://www.uta.edu/conduct/>.

**Electronic Communication:** UT Arlington has adopted MavMail as its official means to communicate with students about important deadlines and events, as well as to transact university-related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a MavMail account and are responsible for checking the inbox regularly. There is no additional charge to students for using this account, which remains active even after graduation. Information about activating and using MavMail is available at <http://www.uta.edu/oit/cs/email/mavmail.php>.

**Campus Carry:** Effective August 1, 2016, the Campus Carry law (Senate Bill 11) allows those licensed individuals to carry a concealed handgun in buildings on public university campuses, except in locations the University establishes as prohibited. Under the new law, openly carrying handguns is not allowed on college campuses. For more information, visit <http://www.uta.edu/news/info/campus-carry/>

**Student Feedback Survey:** At the end of each term, students enrolled in face-to-face and online classes categorized as “lecture,” “seminar,” or “laboratory” are directed to complete an online Student Feedback Survey (SFS). Instructions on how to access the SFS for this course will be sent directly to each student through MavMail approximately 10 days before the end of the term. Each student’s feedback via the SFS database is aggregated with that of other students enrolled in the course. Students’ anonymity will be protected to the extent that the law allows. UT Arlington’s effort to solicit, gather, tabulate, and publish student feedback is required by state law and aggregate results are posted online. Data from SFS is also used for faculty and program evaluations. For more information, visit <http://www.uta.edu/sfs>.

**Final Review Week:** for semester-long courses**,** a period of five class days prior to the first day of final examinations in the long sessions shall be designated as Final Review Week. The purpose of this week is to allow students sufficient time to prepare for final examinations. During this week, there shall be no scheduled activities such as required field trips or performances; and no instructor shall assign any themes, research problems or exercises of similar scope that have a completion date during or following this week *unless specified in the class syllabus*. During Final Review Week, an instructor shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. During this week, classes are held as scheduled. In addition, instructors are not required to limit content to topics that have been previously covered; they may introduce new concepts as appropriate.

**Emergency Exit Procedures:** Should we experience an emergency event that requires us to vacate the building, students should exit the room and move toward the nearest exit. When exiting the building during an emergency, one should never take an elevator but should use the stairwells. Faculty members and instructional staff will assist students in selecting the safest route for evacuation and will make arrangements to assist individuals with disabilities.

**Student Support Services**:UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include [tutoring](http://www.uta.edu/universitycollege/current/academic-support/learning-center/tutoring/index.php), [major-based learning centers](http://www.uta.edu/universitycollege/resources/college-based-clinics-labs.php), developmental education, [advising and mentoring](http://www.uta.edu/universitycollege/resources/advising.php), personal counseling, and [federally funded programs](http://www.uta.edu/universitycollege/current/academic-support/mcnair/index.php). For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to resources@uta.edu, or view the information at <http://www.uta.edu/universitycollege/resources/index.php>.

**The IDEAS Center (**2nd Floor of Central Library) offers **free** tutoring to all students with a focus on transfer students, sophomores, veterans and others undergoing a transition to UT Arlington. To schedule an appointment with a peer tutor or mentor email IDEAS@uta.edu or call (817) 272-6593.