

FINA 4150 SECTION 21-297
Investment and Portfolio Management (SMIF)
Terry College of Business
University of Georgia
Fall 2007

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Course Web Site: <http://terry.blackboard.com>
I will regularly publish announcements, assignments, and other course materials on this site. Students should check it frequently.

Office Hours: Wednesday 10:30 – 11:30 AM, Thursday 3:30- 4:30 PM, and by appointment.

Classroom: Caldwell 305

Class time: Tuesday, 3:30 – 5:00 PM

Course Description: This is a course in security analysis and portfolio management. Emphasis is on valuation of securities, portfolio theory, and investment performance analysis. Students will research stocks and manage a stock portfolio. Enrollment requires the permission of the department. Entrance is competitive with an application process.

Text: *Essentials of Investments*, Sixth Edition, by Bodie, Kane, and Marcus, 2007, McGraw-Hill Irwin Publishers.

Recommended: The Wall Street Journal will be referenced regularly. During the term, you will also be asked to read related articles from other sources.

Related Courses: Ideally, students either will have already had FINA 3000 (Financial Management), or will be taking FINA 3000 concurrently. SMIF students should also take FINA 4310 (Survey of Investments) as soon as practical.

Academic Honesty: All academic work must meet the standard contains in the university's "A Culture of Honesty." All students are responsibility to inform themselves about those standards before performing any academic work. Students will comply to the following guideline: "I will be academically honest in all of my academic work and will not tolerate academic dishonesty of others."

Course Outline: Much of the class time will be devoted to issues related to managing our Student Managed Investment Fund; including stock pitches, portfolio review and evaluation, report preparation, etc. Assignments in these areas will be discussed during each class and then posted weekly on the Blackboard website.

Additionally, related topics will be covered in class as time permits. The tentative list of these topics and associated readings are provided as the final page of this syllabus. While we may deviate from this schedule, it provides the intended topics for the course. I reserve the right to deviate from this schedule at my discretion depending upon class progress. I will provide a revised list if such deviations are substantial.

Class Organization: Each student will be assigned to a sector team of 4 to 5 students. These teams will be responsible for researching and monitoring stocks within the industries in their sector. Each team will have both first-year and second-year SMIF students. Additionally, students may serve as class officers or take on other collateral duties.

Each student should be familiar with the Bylaws and Operating Procedures of the UGA SMIF. These documents are available on the Blackboard website.

Homework:

Stock Analysis: The primary homework will be the stock analysis and associated presentations, to be completed by each team.

Portfolio Evaluation and Report Preparation: Periodically, the portfolio will need to be reviewed and reports prepared. The UGA SMIF reports to both the SMIF Board of Trustees and the Investment Committee of the UGA Foundation.

Supplemental Readings: Additional articles will be assigned for reading from current periodicals or journals. These readings will be announced in class and on the course web page.

Project. In addition to our actual Student Managed Investment Fund, each sector team will have a mock-portfolio to manage. The trading will be web-based and will enable groups to experiment with alternate philosophies. Details will follow. Counts for 10 % of the course grade. Note that there is a small fee from the company that administers the trading game.

Class Attendance and Participation: Classroom attendance and participation is a fundamental part of this course. Attendance is expected and will result in a much better course for you and your fellow students. Each student is expected to be prepared for class and to contribute to class discussions.

Absences: It is your responsibility to contact me **in advance** if your absence will affect your ability to meet any of the course requirements **on time**.

Leaving class early: I realize there may be legitimate reasons for you to leave class early. However, please be considerate and let me know **prior to class starting** that you must leave early.

Final Examination: The final examination will be given at the regularly scheduled university examination time, on Thursday December 13, at 3:30 – 6:30 PM.

Exam Re-grading: I will, of course, correct any obvious errors . However, on matters of debate the following policy applies: You should prepare a brief written memo to me explaining why you think you deserve more points on a particular problem or question and then deliver the memo and exam back to me. I will then review this problem and the entire exam to evaluate whether you deserve additional points.

Grade Determination: This class is primarily one large group project in operating and managing our Student Managed Investment Fund. Final grade assignments will depend upon the group’s overall performance and your individual performance. Grades will be determined as objectively as possible based on the following weights.

Group Work	45 %
Class Participation	15 %
Project	10 %
Final Exam	30 %

The grade breakdown will be based on the following: A/A-: 90-100; B+/B/B-: 80-89; C+/C/C-: 70-79; D: 60-69; and F: <60. I may elect to slightly relax these numeric breakdowns, at my discretion, after the final course numeric scores are determined but I will not make them more stringent. Within each grade category above, +/- grading will be incorporated as follows. An “A” will be awarded for a average greater than 94 or for the top 50% of those who have an average greater than 90. The remaining students with an average greater than 90 will receive an A-. The grade B+ will be award to students with an average between 87 and 90, or for the top 30% of students whose average is between 80 and 90. The B- grade will be awarded only if a student has an average between 80 and 82 and does not make a 70 or better on the Final Exam. Other students in the above “B range” will receive the grade B. The grade C+ will be award to students with an average between 77 and 80. The C- grade will be awarded only if a student has an average between 70 and 72 and fails the Final Exam. Other students in the above “C range” will receive the grade C.

Changes to syllabus: The course syllabus is a general plan for the course. Deviations may be necessary. If the revisions are substantial, I will publish a revised syllabus to keep the class fully informed.

TENTATIVE CLASS SCHEDULE

Note: Much of the class time will be devoted to issues related to managing our Student Managed Investment Fund; including stock pitches, portfolio review and evaluation, report preparation, etc. Additionally, related topics will be covered in class as time permits. The tentative list of these topics and associated readings are provided below.

Date	Topic	Text/Other Readings
Aug. 21	Introduction & Market Overview	Chapters 1 -5 UGA SMIF Bylaws and Operating Proc.
Aug. 28	Market Overview Historical Return Performance Market Informational Efficiency	Chapters 4 -5, 8 UGA SMIF Bylaws and Operating Proc.
Sept. 4	Diversification Principles Mean-Variance Efficiency	Chapters 6 - 7
Sept. 11	Asset Pricing Models	Chapters 7
Sept. 18	Asset Pricing Models	Chapters 7
Sept. 25	Fundamental Valuation	Chapters 11-13
Oct. 2	Fundamental Valuation	Chapter 12-13
Oct. 9	Fundamental Valuation	Posted Material
Oct. 16	Technical Analysis	Chapter 19
Oct. 23	Technical Analysis	Chapter 19
Oct. 30	Rational versus Behavioral Finance	Chapter 19
Nov. 6	More on Stock Return Anomalies	Posted Material
Nov. 13	More on Stock Return Anomalies	Chapter 11
Nov. 20	Portfolio Performance Evaluation	Chapter 17
Nov. 27	Portfolio Performance Evaluation	Chapters 17, 18, 21
Dec. 4	Portfolio Review	N/A
Dec. 13	Final Exam	3:30 – 6:30 PM