

FINA 4310: SURVEY OF INVESTMENTS

The securities markets, investor objectives, introduction to portfolio theory and the analytical tools of portfolio management, and an examination of investment alternatives.

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

Spring 2008:

Terry College of Business
University of Georgia
Daily, 10:10 – 11:00, Caldwell 107.

Instructor: Ryan McKeon
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Course Web Site: webct.uga.edu
Office Hours: By appointment

For e-mails regarding queries on course material or requests for meetings please use my uga.edu e-mail address. I check this more frequently than WEBCT e-mail.

However, you should make a habit of checking WEBCT regularly as I will use the e-mail facility there to send general instructions and comments to the class.

Course Objective:

The objective of this course is to increase the students' understanding of the way in which financial markets function and the structure and use of financial products. The course focuses on fundamentals of pricing bonds and equity investments and portfolio construction.

Recommended Texts:

Essentials of Investments, Sixth Edition, by Bodie, Kane and Marcus, MacGraw-Hill Publishers. ISBN – 13: 978-0-07-304153-7

I strongly advise all students to obtain a copy of this book, so that we can all work from the same text in class. Surf amazon.com or half.com for cheaper, second-hand versions of the book if you wish.

Prerequisites: FINA 3000 (Financial Management).

Other Items:

You will need a capable financial or scientific calculator.

Absences: I do not keep track of attendance during the semester, but frequent absences will hurt your chances of good scores on tests and the exam. Furthermore, 10% of the

final grade will be based on attendance/compliance (as outlined below) and frequent absences from class may hurt your score in this component.

My office hours should be used for questions related to problems you are working from the book, or questions which have arisen as you reviewed your class notes or the book. Students who use office hours to ask questions related to material which has already been discussed or answered in class will have points deducted from their activities score. Questions relating to issues which are clearly addressed in the syllabus will also result in deductions from this score.

I am happy to assist students, but please ensure that you first consult the syllabus and your notes when questions arise.

Reading assignments:

Articles will be posted to WEBCT for reading from current periodicals or journals. These will provide material for the exam/quizzes. These readings may not be specifically addressed in class, although questions or discussion are welcome if desired.

Exam/Tests: Tests and the final Exams will be closed book but I will provide certain complex equations for reference on the exam. Exams and tests will only be administered at the assigned times, and a missed exam or test will carry a grade of zero unless explicitly excused by a physician or the Dean of students. Truly exceptional circumstances should be discussed with me prior to the exam.

Although students who attend class regularly, pay attention and ask good questions may be able to identify sections of work which are of greater or lesser relative importance than others, officially the content for test and exams is anything written in the BKM textbook, any readings posted on WEBCT, and anything discussed during class time.

Class tests: Three in-class tests will be given during the semester. These tests are scheduled for Feb 8th, Mar 7th and April 18th.

Activities:

Class work and activities which will be included in your final grade include:

Assignment 1: to be completed and submitted via e-mail by the end of the first week of class (14th January). Details will be provided in class.

Assignment 2: to be completed and submitted via e-mail by 25th April. Details will be provided in class.

Stocktrak Project:

The due date for this project is midnight of Friday, April 25th. (e-mailed over WEBCT)

The project will involve an investment game where each student will have a mock-portfolio to manage. The trading will be web-based. Details will follow. Note that there is a fee from the trading game firm.

Each student should prepare a written report on their trading activities including examples of the trades he/she traded, the reasons for implementing these trades and the

final outcome. Grades will be based on the clarity of the report and not on the results achieved during the trading game (students may find that losing a lot of “money” on the game is very educational! :)

Stocktrak review: our final day of class on 28th April will involve class discussion of what you learnt in the course and trading Stocktrak. This is one time ***I definitely will take attendance***, and unexcused absence will result in deduction of points from your score in the “Activities” component of the final grade (see breakdown below).

Final Examination: The final examination will be on Wednesday 30th April from 8:00 to 11:00 am.

******The final exam is a compulsory component of the final grade and must be written by all students regardless of your performance during the semester. If any circumstances arise which would interfere with your writing the exam on April 30th you should contact me immediately to resolve the situation.***

Grade Determination: Final grade assignments will depend upon your overall performance and will be determined as objectively as possible based on the following weights:

Class Tests	25 % weighting on each of your <u>two best</u> scores of the three
Final Exam	30 %
Activities	20%

Your final grade will be determined solely on your scores in the above components. Regrettably, no points can be awarded for effort or amount of time spent studying.

The following will be used as a guideline for final grades:

92.0% - 100%	A
90.0% - 91.9%	A-
88.0% - 89.9%	B+
82.0% – 87.9%	B
80.0% - 81.9%	B-
78.0% - 79.9%	C+
72.0% - 77.9%	C
70.0% – 71.9%	C-
60.0% - 69.9%	D
0.0% – 59.9%	F

Honor code:

All academic work must meet the standards contained in "A Culture of Honesty." Students are responsible for informing themselves about those standards before performing any academic work. While I strongly encourage discussion with classmates, all work for grades should be completed individually.

Course Outline:

January:

- 7th: Introduction (Chapter 1)
- 9th: Introduction (Chapter 1)
- 11th: Securities (Chapter 2)[broad view]
- 14th: Stocktrak day - **Assignment 1 DUE!**
- 16th: Mutual Funds (Chapter 4)
- 18th: Mutual Funds (Chapter 4)
- 21st: MLK day – NO CLASS!
- 23rd: Market efficiency (Chapter 8)
- 25th: Market efficiency (Chapter 8)
- 28th: Market efficiency (Chapter 8)
- 30th: Behavioral finance (Chapter 19)

February:

- 1st: Behavioral finance (Chapter 19)
- 4th: Behavioral finance (Chapter 19)
- 6th: Review for test
- 8th: **TEST 1**
- 11th: Risk and Return (Chapter 5)
- 13th: Diversification (Chapter 6)
- 15th: Diversification (Chapter 6)
- 18th: CAPM (Chapter 7)
- 20th: CAPM (Chapter 7)
- 22nd: Equity valuation (Chapter 12)
- 25th: Stocktrak day
- 27th: Securities (Chapter 2) [detailed view]
- 29th: Securities (Chapter 2) [detailed view]

March:

- 3rd: Bond prices (Chapter 9)
- 5th: Bond prices (Chapter 9)
- 7th: **TEST 2**
- SPRING BREAK**
- 17th: Bond portfolios (Chapter 10)
- 19th: Bond portfolios (Chapter 10)
- 21st: Options (Chapter 14)
- 24th: Options (Chapter 14)
- 26th: Futures (Chapter 16)
- 28th: Futures (Chapter 16)
- 31st: Macroeconomy (Chapter 11)

April:

2nd: Macroeconomy (Chapter 11)

4th: Global investing (Chapter 18)

7th: Global investing (Chapter 18)

9th: Securities markets (Chapter 3)

11th: Securities markets (Chapter 3)

14th: Performance evaluation (Chapter 17)

16th: Performance evaluation (Chapter 17)

18th: TEST 3

21st: Swaps, credit derivatives

23rd: Other investments: commodities

25th: wrap up, final exam preview - **Assignment 2 DUE! - Stocktrak report DUE!**

28th: Stocktrak review (**Attendance required as part of final grade!**)

30th: FINAL EXAM 8:00 – 11:00 am.