

TERRY COLLEGE OF BUSINESS  
UNIVERSITY OF GEORGIA

**FINA 4310**  
**Survey of Investments**  
**Course Syllabus – Fall 2009**

**Professor:** Tyler Henry  
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**I. Master Syllabus Elements:**

**A.) FINA 4310 – Survey of Investments**

**B.) Course description:** The securities markets, investor objectives, introduction to portfolio theory and the analytical tools of portfolio management, and an examination of investment alternatives.

**C.) Prerequisites:** FINA 3000 and (MSIT 3000 or STAT 3000).

**D.) Course objectives or expected learning outcomes:** To expose the student to an analytical treatment of investment theory, including the concepts of portfolio management and valuation. The course includes a study of the role of risk in asset pricing, the implications of asset-pricing models, and the application of these asset-pricing models to real data.

**E.) Topical outline**

- Securities Markets and Trading
- Securities Analysis
- Passive Portfolio Management and Portfolio Theory
- Capital Asset Pricing Model
- Arbitrage Pricing Theory
- Portfolio Performance Evaluation
- Options, Futures & Other Derivatives
- Fixed Income Securities

**F.) University Honor Code and Academic Honest Policy:**

*As a University of Georgia student, you have agreed to abide by the University's academic honesty policy, "A Culture of Honesty," and the Student Honor Code. All academic work must meet the standards described in "A Culture of Honesty" found at: <http://www.uga.edu/honesty>. Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to course assignments and the academic honesty policy should be directed to the instructor.*

**G.)** The course policy is a general plan for the course; deviations announced to the class by the instructor may be necessary.

## II. Class Syllabus Elements:

### H.) Principal Course Assignments:

#### Tentative Course Schedule\*

Week	Day	Date	Topic	Corresponding BKM Chapter	Corresponding Lecture Notes
1	T	8/18	Introduction to Investments		1
	R	8/20	Financial Instruments	2	2
2	T	8/25	Markets and Trading	3	3
	R	8/27	Mutual Funds	4	4
3	T	9/1	Fixed Income Securities	10	5
	R	9/3	Bond Portfolio Management	11	5
4	T	9/8	Duration Hedging		5B
	R	9/10	Swaps	17.6	5
5	T	9/15	Catch up / Review		
	R	9/17	<b>EXAM 1</b>		
6	T	9/22	Risk and Return	5	6
	R	9/24	Risk and Return	5	6
7	T	9/29	Diversification	6	6
	R	10/1	Diversification	6	6
8	T	10/6	Asset Pricing Models	7	7
	R	10/8	Asset Pricing Models	7	7
9	T	10/13	Catch up / Review		
	R	10/15	<b>EXAM 2</b>		
10	T	10/20	Market Efficiency	8	8
	R	10/22	Market Efficiency	8	8
11	T	10/27	Limits to Arbitrage	9	9
	R	10/29	Performance Evaluation	18	10
12	T	11/3	Performance Evaluation	18	10
	R	11/5	Treynor-Black Model		11
13	T	11/10	Catch up / Review		
	R	11/12	<b>EXAM 3</b>		
14	T	11/17	Derivatives: Options	15, 16	12
	R	11/19	Derivatives: Futures	17	13
15	T	11/24	<i>No Class: Thanksgiving</i>		
	R	11/26	<i>No Class: Thanksgiving</i>		
16	T	12/1	Presentations		
	R	12/3	Catch up / Course Review		
		12/11	<b>Final Exam (2:00 Section)</b>	3:30 - 6:30 pm	
		12/15	<b>Final Exam (9:30 Section)</b>	8:00 - 11:00 am	

\*This is a tentative class schedule. Topics covered in class, are subject to change. Students are responsible for any changes that are announced during class.

## **I.) Specific Course requirements for grading purposes**

Midterm 1 – September 17th	20%
Midterm 2 – October 15th	20%
Midterm 3 – November 12th	20%
Stocktrak Trades, Analysis, and Presentation	20%
Final Exam - As scheduled by the Registrar	20%

### **Exams:**

There will be three midterm exams and one comprehensive final exam. The exams will consist of material from assigned readings, class notes, and suggested practice problems. I will assign problem sets, which will not be collected or graded, but will prepare you for the exams. The suggested problems and problems done in class will be reflective of the problems on the exams. As such, mastery of the problems is crucial to success on the exams. Exams are closed book but I will provide you with a formula sheet covering all relevant equations. You may use a financial calculator on the exam, but no programmable calculators are allowed.

### **Investment Simulation Exercise:**

We will run an ongoing portfolio simulation exercise over the course of the semester. Each student will be part of a trading group (approximately 4 students), which will maintain a portfolio of securities and document trades made throughout the semester. Groups will be formed in class on the day we discuss the exercise guidelines. More details to follow.

### **Presentation:**

At the end of the semester, each trading group will be required to put on a professional presentation highlighting their results. The content of the presentation should include the group's investment strategy, how their trades were applied to achieve this goal, and a formal analysis of their performance using portfolio evaluation techniques. (If the class schedule does not warrant time for in-class presentations, a paper write-up may be assigned instead. )

## **J.) Grading policy**

Course grades will be based on 3 midterm exams, a portfolio trading exercise and presentation, and a comprehensive final exam. Grades will be assigned on a plus/minus scale.

## **K.) Attendance policy**

Attendance will not be actively monitored, but students are responsible for all material presented during class, including any materials passed out or changes to the schedule announced during class. While the general method of instruction is lecture, the classroom environment is interactive. Students are expected to come to class prepared, having already read the chapter and thought about the issues of the day. Class participation is not explicitly graded, but may be used to determine grades at the margin.

I will provide lecture notes (which can be downloaded from the class website) so that you are able to focus on the topic at hand, ask perceptive questions, and answer questions posed of you. Actively thinking about what we're talking about while we're talking about it should enhance the learning process. Keeping abreast of current events is a good way to contribute to class discussions. The pace of the course is fast. Pre-class preparation will greatly contribute to your ability to process the material, some of which is rather difficult.

## **L.) Required course material**

- Textbook: *Essentials of Investments*, 7<sup>th</sup> Edition, by Bodie, Kane, and Marcus.
- Stocktrak Portfolio Simulation Account
- Financial and/or statistical calculator. (No programmable calculators are allowed for exams).

Although not required, it is recommended that you read (regularly) a financial publication such as *The Wall Street Journal*, *Barron's*, or other business periodicals to see how the concepts covered in class are applied in actual business settings. These publications will give you a feel for the issues that face today's business leaders.

## **M.) Policy for make-up examinations**

Exams are scheduled on set dates during class time, so please plan accordingly. Students are required to take exams at the scheduled time. There will be **NO** make-up exams or alternative assignments. A missed exam will result in a score of zero. Under extreme or emergency situations, such as a serious illness that requires *prolonged* medical care, you will receive extra weight on the final exam provided that sufficient documentation is provided. This includes both a formal note **and** a phone call from the proper authority, such as a physician. Note that a one-time visit to the health center the day of the exam will likely not qualify as an emergency situation. Also note that the difficulty of the exams increases as the semester progresses, culminating with the final exam.

## **Office Hours**

I encourage you to take advantage of office hours. It is very easy to clarify matters in a one-on-one setting. If you are unable to attend scheduled office hours, arrangements are easily made to meet at alternative times.

## **Important Registration Dates**

Drop Deadline

August 20th

Withdrawal Deadline

October 22<sup>nd</sup>

## **Withdrawal Policy (UGA Student Handbook):**

A student who withdraws from a course prior to the midpoint withdrawal deadline of a term is assigned a grade of W or WF by the instructor. A student who withdraws after the midpoint withdrawal deadline of a term is assigned a grade of WF, except when the student is doing satisfactory work and the withdrawal is recommended by the Vice President of Student Affairs because of health or emergency reasons.

## **Additional Information and Disclaimers:**

- Any questions regarding grading must be submitted in typed, written form, by the class following the receipt of the grade, explaining why you think the question is inaccurate or the correct answer is wrong. You will need to clearly explain why the grading was incorrect.
- Requests for re-grading will result in a re-grade of the entire exam, so your score may go up, down, or be unchanged.
- Requests for special testing accommodations at the Disability Resource Center must be made with a scheduled visit to my office (with all appropriate documentation) in the first 2 weeks of the semester.