

**University of Georgia, Terry College of Business
Department of Banking and Finance**

FINA 4310: Survey of Investments

Course Syllabus

Fall 2009; Call # 68559
T & TH 2:00 – 3:15 PM; Caldwell 102

Instructor: *Kevin Okoeguale*
Office: *Brooks Hall 289A*
Phone: *706-542-3639*

Email: kevo474@uga.edu
ELC: <http://elc.uga.edu/>
Office Hours: *3:15 – 5:00 PM, T & TH*

Course Description

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

Course Objective

The objective of this course is to provide a more in-depth introduction to financial markets and the fundamental concepts of portfolio theory and asset pricing. The emphasis would be on developing skills towards active equity portfolio management. Students would develop an understanding of: 1) the function of financial markets; 2) the concept of market efficiency and portfolio theory; 3) asset pricing models, their theoretical motivation and empirical problems; 4) bond pricing and interest rate behavior; 5) fundamental security analysis, portfolio construction and evaluation; 6) derivatives, specifically futures and options.

Course Prerequisites

Students are expected to have completed FINA 3000 and MSIT 3000 or STAT 3000. Students are also expected to have some competency with computers, working with basic statistical tools such as mean, covariance, correlation and standard deviation, as well as regression analysis.

Course Materials

1. Textbook (Required): *Essentials of Investments*, by Bodie, Kane and Marcus, 7th edition
2. Financial calculator. The recommended is the Texas Instruments TI – BAII (any of its various versions). We will review some basic functions in class.

Course Requirements

Final Exam – Fri., Dec 11 @ 3:30	30%
Test I – Tue., Sept 29 @ 2:00	20%
Test II – Tue., Nov 10 @ 2:00	20%
Group Project	15%
Individual Homework I	5%
Individual Homework II	5%
Individual Homework III	5%

Course Grading Scale

Your course grades (A thru F, W) will be consistent with the official UGA grading scale and will be determined by the total course points (0-100) calculated as the weighted average of individual grade points. Approximate scale: A [94-100), A- [90-94), B+ [87-90), B [83-87), B- [80-83), C+ [77-80), C [73-77), C- [70-73), D [60-70), F [0-60).

Course Outline

Section	Week	Topical Outline	Readings: BKM
Section 1	Week 1	Financial Markets and Financial Assets	Ch. 1 – 4
Section 2	Week 2	Portfolio Theory and Market Efficiency	Ch. 5, 6 & 8
Section 3	Week 3	Asset Pricing Models	Ch. 7
Section 4	Week 4	Tests of Market Efficiency Hypothesis	Ch. 8
Section 5	Week 4	Limits to Arbitrage and Behavioral Finance	Ch. 9
Section 6	Week 5 - 7	Fixed Income Securities	Ch. 10 & 11
Section 7	Week 8 - 11	Equity Valuation	Ch. 12 – 14
Section 8	Week 12	Performance Measurement	Ch. 18
Section 9	Week 13 - 14	Derivatives: Options and Futures	Ch. 15 – 17
	Week 15	Thanksgiving Holiday	
	Week 16 - 17	Presentations and Review	

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary. The course will be composed of lectures, class discussions, problem solving and assigned homeworks. There is much to learn about investments than can be covered in a semester class. You are encouraged to introduce current topics gathered through your reading of the Wall Street Journal, Business Week, the Financial Times, the Economist, or other relevant material.

Relevant Web Sites

1. The text book publisher's data site: www.mhhe.com/edumarketinsight
2. Stocktrack site: www.stocktrack.com
3. Kenneth French's data site:
http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

Simulation Exercise

A portfolio simulation exercise via Stocktrak will be carried out 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.

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.

Attendance and Participation Policy

Attendance may not be actively monitored, but students are responsible for all materials presented during class, including any materials passed out or changes to the schedule announced during class. The class environment is expected to be interactive and participation encouraged. While class participation is not explicitly graded, it may be used to determine grades at the margin. Keeping abreast of current events is a good way to contribute to class discussions. Pre-class preparation will greatly contribute to your ability to process the material and make the most of class lectures.

Make-Up Policy for Tests

There will be NO MAKEUP TESTS. The weight from a missed test will be transferred to the final exam PROVIDING the absence is due to a serious illness, a family emergency or SOME university-sponsored events. If you expect to miss a test for an approved reason, let me know as soon as possible prior to the test. You must provide me with a formal written note regarding the situation – preferably before the test – plus a note from the physician or other relevant person within one week following the missed test.

Academic Honesty

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: 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.