



University of North Carolina at Charlotte

Belk College of Business

FINN 3222 – 001 INVESTMENTS

Spring 2017

<u>Course Time:</u>	Monday & Wednesday 11:00 am - 12:15 pm
<u>Location:</u>	Duke Centennial Hall 345
<u>Professor:</u>	Dr. Yufeng Han
<u>Office Location:</u>	Friday Building 340A
<u>Telephone:</u>	(704) 687-8773
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<u>Office Hours:</u>	Monday 4:00 – 5:00 pm (Friday) Wednesday 4:00 – 5:00 pm (Friday) by appointment

This syllabus contains the expectations, policies, procedures, and schedule for FINN 3222 – 001. Please read the entire syllabus carefully before continuing in this course. The policies and expectations stipulated in this syllabus are intended to create a productive learning atmosphere for all students. Students are expected to abide by these policies and expectations.

The standards and requirements set forth in this syllabus may be modified at any time by the instructor. Notice of such changes will be announced in class and on Canvas course website.

Course Description:

This course is an introduction to theory and practice of investment decisions of individuals and professional fund managers. Topics include: portfolio theory and capital market pricing theory, efficient market hypothesis, stock valuation, and portfolio performance evaluation.

Course Objective:

After successful completion of the course, students should be able to achieve the following learning outcomes.



1. Understand various financial securities and the markets in which the securities are traded, and methods used to buy and sell securities
2. Techniques for analyzing the risk and return characteristics of securities
3. Optimal portfolio construction and Mean-Variance analysis
4. Discuss key considerations of asset allocation for individual and institutional investors
5. Apply CAPM and multifactor models in investment analysis
6. Discuss basic strategies of equity portfolio management and evaluation

Textbook:

Essentials of Investments, 10th edition (Required)

Zvi Bodie, Alex Kane, and Alan J. Marcus. McGraw-Hill, 2016.

ISBN-10: 0077835425, ISBN-13: 2900077835421

Website:

<http://www.mheducation.com/highered/product.M0077835425.html?searchContext=essentials+of+investments>

Wall Street Journal or *Financial Times* (recommended)

Lecture Notes:

Most of the teaching materials including lecture notes, other reading materials, and homework assignments and solutions will be available on Canvas. Please make sure that you can access Canvas at the beginning of the semester. I will not bring extra lecture notes to class, so please, download the lecture notes and review them before coming to class. Please also make sure that you can receive emails from Canvas.

Course Procedure:

Lecture/discussion is the primary format of class sessions in this course. Students are expected to read the assigned readings before (and certainly also after) attending the class and bring questions to class. Students are encouraged to ask questions throughout the class period and gain deeper understanding on the class materials.

Students are expected to behave professionally in the classroom. Any disruptive behavior may lead to banning from further class participation.



All cell phones, pagers, and other electronic communication devices must be turned off or in silence mode upon entering the class unless previously approved by the instructor.

Students are not permitted to use tablets or laptops during class unless they are asked by the instructor, and are not allowed to engage in any activities not related to the lecture, such as surfing the internet, talking with others online, or checking emails. Those who persistently violate the policy during class must leave the classroom for the remainder of the class period.

Homework, Quizzes, Exams, and Project:

Homework: After each class, a list of problems from the chapter(s) discussed in class will be assigned on Canvas. Students are required to work on the homework but are not required to turn in the homework. Homework solutions will be posted on Canvas later during the week. Students are expected to check their homework against the solutions and correct any mistakes in their homework.

Quizzes: After each homework assignment, there will be a quiz on the next class. Each quiz will take about 10 - 15 minutes. The quiz problems will be chosen from the current assignment, and the number of problems varies from one to two. In addition, one multiple choice problem will be included to test the concepts discussed in class. The instructor will discuss the solutions to the quiz problems and other homework problems after the quiz if time permits. Student are allowed to bring a formula sheet to quiz with only formulas. Note that the lowest quiz score will be dropped in calculating the final grades.

Students who have made mistakes in the homework problems in the quiz wish to make up for the mistakes, can submit their **complete hand-written** homework assignments to Canvas by next class to receive full credits for the homework problems. Please do not turn in an incomplete assignment. Also, please do not turn in a typed homework assignment; only a hand-written one is accepted. The instructor reserves the right to forfeit the make-up credits when necessary.

The days when a quiz will be given are listed on the last page of the syllabus along with the class schedule. Please note that the schedule is tentative, so changes can happen, and will be announced ahead of time.

Exams: There will be two exams. Both exams are in-class, closed-book, and closed-notes. Students are required to bring a calculator and can bring one sheet of letter-sized paper with whatever the students can type on one side with the font size no smaller than 10. If hand-writing, the size should not be smaller than an equivalent of 10. The cheat sheet will



be collected and any violation will be penalized up to 5 points. The exams are based on homework problems and lecture notes, and are designed with multiple-choice questions, true-or-false problems, and calculation problems. The exams are not comprehensive. The exam copies will not be returned to students; however, students will have an opportunity to review their first exams in class and can request to review the second exam with the instructor.

Virtual Portfolio Management Project: [HowTheMarketWorks.com](http://www.howthemarketworks.com) is designed to introduce students to the stock market through its educational center and its free virtual trading simulation. Trading will begin on January 16 and end on April 15. Please use the following link to register for a free account and join the contest before January 16. Students should form a group of two to register, one group per registration.

<http://www.howthemarketworks.com/register/79845>

The project and performance of your virtual portfolio should be reported in a written report and will be presented in the last class. The project will be evaluated not based on the performance of your portfolio, but instead on whether or not you correctly evaluate your portfolio performance. However, since it is a contest after all, we need to have a reward system. Any student with performance higher than the market (proxied by S&P 500 index or ETFs) will earn a bonus credit of 3 points in his/her final grade. The student with the best performance will earn another 2 points. Note that any report should discuss the stock picking process. Simply copying a list of stocks from someone else (e.g., an investment newsletter) would disqualify the project for earning the bonus credits, but it would not affect the project credits.

Policy:

1. When assignments are to be turned in, they are due at the beginning of the class. Please submit the assignments on Canvas before class.
2. Although group discussion is encouraged, students are required to finish the assignments on their own.
3. Students are expected to write clearly the steps toward the solutions in assignment, quizzes, and exams. Failure to comply with this requirement will result in loss of credits in quizzes and exams. For assignments turned in for quizzes, it will result in no make-up credit.

Class Attendance:

Students are expected to attend every class and remain in class for the duration of the session. Failure to attend class or arriving late or leaving earlier may impact your ability to achieve course objectives which could affect your course grade. An absence, excused



or unexcused, does not relieve a student of any course requirement. Regular class attendance is a student’s obligation, as is a responsibility for all the work of class meetings, including tests and written tasks.

As an attendance measure, unannounced, open-book in-class exercise assignments will be given during any class period. There will be no make-up opportunities for any missed assignments.

No make-up quiz will be given; absence or excessive tardiness will result in loss of quiz scores. Any students who are late by **7 minutes** will not be allowed to take the quiz.

Make-up exams are strongly discouraged. Please make arrangement so that you can take the exams. If you have to miss an exam for documented situations related to medical, psychological, personal crisis, or military absences, permission must be obtained from the instructor prior to the exam unless there is an emergency. No make-up exam will be given if the student fails to inform the instructor in advance. In case of an emergency, the student should inform the instructor as soon as possible. All make-up exam requests should be accompanied by verifiable documentation, which can be obtained from the Dean of Students Office.

Grading Policy:

Grades of all assignments, quizzes, and exams will be posted on Canvas shortly after grading. The final score will be determined as follows:

Quizzes:	20%
Exam 1 & 2:	25% each
Project:	25%
Trading activity:	5%
Report:	15%
Presentation:	5%
Participation:	5%
Bonus Credit:	3%+2%

Grading scale: Your final numerical score will be converted to a letter grade according to the following table, but the instructor reserves the right to curve the final scores before assigning the letter grade.

Letter Grade	A	B	C	D	F
Range of Numerical Grade	90+	[80, 89]	[70, 79]	[60, 69]	< 60



Academic Honesty:

All students are required to read and abide by the Code of Student Academic Integrity. This Code forbids cheating, fabrication or falsification of information, multiple submission of academic work, plagiarism, abuse of academic materials (such as Library books on reserve), and complicity in academic dishonesty (helping others to violate the Code). Violations of the Code of Student Academic Integrity, including plagiarism, will result in disciplinary action as provided in the Code. Definitions and examples of plagiarism are set forth in the Code. The Code is available from the Dean of Students Office or online at <http://www.legal.uncc.edu/policies/ps-105.html>.

Accommodations for Disability:

Students with disabilities requiring accommodations, must first contact the Office of Disability Services (phone 704-687-4355, 230 Fretwell Building). The staff will assist you in both determining reasonable accommodations as well as coordinating these accommodations.

Belk College Statement on Diversity:

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

Preferred Gender Pronoun:

This course affirms people of all gender expressions and gender identities. If a student prefers to be called a different name than what is indicated on the class roster, please let the instructor know. Feel free to correct the instructor on your preferred gender pronoun. If you have any questions or concerns, please do not hesitate to contact the instructor.




Suggestions to Students:

1. Check your university email account and announcements on Canvas often and at least before coming to class for most recent news and changes about the course.
2. Ask questions early and often - It is "free" (no extra cost) to get help from the instructor.
3. Please seek assistance if you have any questions about course material or difficulties with the concepts. This includes questions during class, office hours or appointments, by e-mail, before you hand in assignments, and after you receive your grade.
4. Practice and practice - It is the key to success. You should make sure that you can solve all the homework problems without any help - either from the book or someone else.

Tentative Schedule

The following class schedule reflects my best estimate of the time required to cover each topic. However, I reserve the right to make any necessary changes to the schedule including changing the topics covered as the semester progresses. Any changes will be announced on Canvas and in class before it happens. Note that the date for the midterm exam given below is firmly fixed, while the exam coverage may be subject to change.

Week	Date	Topics	Readings	Quiz
1	Jan - 09	Syllabus & Policy Discussion	Syllabus	
	Jan - 11	L1: Investment: Background & Issues	Ch 1	
2	Jan - 16	M.L.R. Holiday (No Class)		
	Jan - 18	L2: Asset Classes and Financial Instruments	Ch 2	1 (L1)
3	Jan - 23			
4	Jan - 25	L3: Security Markets	Ch 3	2 (L2)
	Jan - 30			
5	Feb - 01	L4: Mutual Funds and Other Investment Companies	Ch 4	3 (L3)
	Feb - 06			
6	Feb - 08	L5: Risk and Return: Past and Prologue	Ch 5	4 (L4)
	Feb - 13			
7	Feb - 15	L6: Efficient Diversification	Ch 6	5 (L5)
	Feb - 20			
8	Feb - 22	L7: Capital Asset Pricing and Arbitrage Pricing Theory	Ch 7	6 (L6)
	Feb - 27			
	Mar - 01	Exam 1: Chapters 1 - 7		
9	Mar - 06	Spring Break (No Class)		
	Mar - 08			
10	Mar - 13	L8: The Efficient Market Hypothesis	Ch 8	
	Mar - 15	L9: Behavioral Finance and Technical Analysis	Ch 9	
11	Mar - 20	L10: Portfolio Performance Evaluation	Ch 18	
	Mar - 22			8 (L8&9)
12	Mar - 27			
	Mar - 29			9 (L10.1)
13	Apr - 03	L11: Equity Valuation	Ch 13	
	Apr - 05			10 (L10.2)
14	Apr - 10			
	Apr - 12			11 (L11.1)
15	Apr - 17	L12: Macroeconomic and Industry Analysis	Ch 12	
	Apr - 19			12 (L11.2)
16	Apr - 24	Presentation & Exam Review		
	Apr - 26			13 (L12)
17	May - 01			
18	May - 8	Exam 2: Chapters 8, 9, 12, 13, 18		