



FINN 3222: Investments
Fall Semester, 2019

Professor: Dr. Yilei Zhang
Office: Friday Building Room 348, phone (704) 687-7638
Email: yzhang74@uncc.edu
Class: Monday & Wednesday 2:30 – 3:45 pm, Friday Room 142
Office Hours: Monday 10:30 am – 12:30 pm and by appointment
Course web page: <https://uncc.instructure.com/>

Prerequisites

FINN 3120 *Financial Management*

Access to and familiarity with web browsers, a spreadsheet program and a word-processing program.

Course Objectives and Approach

A sound understanding of investments is an essential component of any finance education. The principles learned in this course will be necessary in most of your subsequent finance courses. In addition, I hope and expect that you will find the tools from this course useful as you make personal investment decisions. Specifically, we will focus on investing in stocks, bonds, and mutual funds with an emphasis on:

- The markets in which the securities are traded, and methods used to buy and sell securities
- Techniques for analyzing the risk and return characteristics of individual securities
- Optimal methods for combining securities in a portfolio
- Modern portfolio theory
- Pricing models for bonds and stocks
- Risk management
- Performance evaluation methods

The content of the course is covered through lectures and the students' own efforts. Materials presented in class are a blend of the topics covered in the textbook and other sources.

Class Expectations

- Please make every effort to arrive on time.
- Please turn off your cell phone before entering classroom.
- Please visit the course website periodically to download the hand-outs, assignments and other course materials.

Course Materials

- Course Lecture Notes (required): The course lecture notes are available on *Canvas* (<https://uncc.instructure.com/>). It is the student's responsibility to download and print them from the course webpage on *Canvas*. I expect you to arrive in class each week with the material for that week. All other class material (e.g., class assignments and excel templates) will be distributed through *Canvas*.
- Practice Questions (required): Each class lecture note has a corresponding practice questions (and answers) file. The practice questions focus on the key concepts problem solving skills in my lecture notes and working through them is an essential part of the course. You are NOT required to turn in your work on the practice questions. For your sake, please resist the temptation to simply look at the solutions to the problems without having worked them yourself.
- Calculator (required): You need to acquire a financial calculator and bring it to each class. The class examples will use a BA II Plus.
- Textbook (*optional, not required*): **Essentials of Investments**, 10th Edition; Bodie, Kane and Marcus (BKM); McGraw-Hill/Irwin, 2016; ISBN: 978-0077835422.

Evaluation

Your final grade will be based on two midterm exams, a final exam, homework assignments, StockTrak project, quizzes and class participation according to the following schedule:

Item	Points	Exam date / Assignment due date
Exams		
Mid-term exam 1	20 Points	September 30 th
Mid-term exam 2	20 Points	November 4 th
Final exam	22 Points	December 9 th
Homework assignments (individual)		
Assignment 1	7 Points	September 23 rd
Assignment 2	9 Points	October 28 th
StockTrak project (group)		
Investment policy statement	5 points	September 8 th
Trading activity	7 points	Sept. 9 th – Oct. 25 th
Report	5 Points	December 4 th
Quizzes and participation	5 Points	
Total	100 Points	

Grading scale: Your overall numerical grade will be rounded to the nearest integer and then converted to a letter grade according to the following table:

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

I reserve the right to curve the exam scores.

Exams: There will be three *non-cumulative* exams. Midterm exams will be given during regular class meeting time. The final exam will be administered according to the UNCC Final Examination Schedule. Exams will be closed book and closed notes. Students are allowed to bring a financial calculator and a letter-sized piece of paper with formulas and notes (you may use both sides of the paper).

Homework assignments (individual): Each student should work on the assignments *independently*. Further details on the assignments are forthcoming. Assignments should be submitted electronically to *Canvas* following the requirements as specified in the instructions. You are expected to submit on or before the due date. Late assignments will have the grade lowered by 10% per day. No excuse for late submission will be considered.

StockTrak Project (group): Participate in a real time, play money investment project using the StockTrak platform (<http://www.stocktrak.com>). You have the choice of managing your portfolio yourself or teaming with classmate(s) for the StockTrak experience. This platform is set up like an online discount brokerage and should provide a great learning experience. The learning objectives and requirements of the simulation activity will be provided as the course commences.

Quizzes and participation: students are expected to attend all classes and to actively participate in class discussions. Unannounced, open-book quizzes over lectures and practice problems will be given during any class period. ***There will be no make-up opportunities for missed quizzes.*** Students attending 80% of the quizzes will get full credit (5 points). Students will get 1 bonus point for 90% attendance, and 2 bonus points for 100% attendance.

Each attendance quiz will be recorded on Canvas on the same day it is administered. An announcement will be sent notifying students that attendance has been recorded. You have 48 hours to request a revision of your attendance record:

- If attendance quiz is administered on Monday class, you have until 5:00 pm on Wednesday of that week to request a revision.
- If attendance quiz is administered on Wednesday class, you have until 5:00 pm on Friday of that week to request a revision.

Revisions must be requested via email to the course’s TA. This policy and its deadlines will be enforced with no exceptions.

Make-up Policies for Exams

Make-ups for exams may be requested for valid excuses only. All excuses must have verifiable documentation. Foreseeable excuses (e.g. athletes on traveling squads) must be documented and requests be received at least one week in advance of the exam. The only acceptable unforeseen excuses for exams are death or serious illness in the family or a student illness. These also must be documented (e.g., by a death announcement or doctor’s letter). If you miss the final exam for a legitimate reason, you will be given an “Incomplete” and a makeup final will be arranged accordingly. A student missing a test with an unexcused absence will receive a score of zero.

When You Need Help

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. Your preparation and willingness to interact with me really helps to keep us on track and in tune with each other during the lecture sessions.

Statement on Disability Accommodations

UNC Charlotte is committed to access to education. If you have a disability and need academic accommodations, please provide a letter of accommodation from Disability Services early in the semester. For more information on accommodations, contact the Office of Disability Services at 704-687-0040 or visit their office in Fretwell 230.

Codes of Conduct

All students are required to read and abide by the UNC Charlotte Code of Student Academic Integrity and the UNC Charlotte Code of Student Responsibility (<http://legal.uncc.edu/policies/up-407>). Violations of the Codes will result in disciplinary action as provided in the Codes.

It is the students' responsibility to be fully and accurately informed of University policies, including, but not limited to, rules regarding dropping and adding classes, graduation requirements, and student conduct. The Dean of Students Office is the authoritative source for these policies.

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.

Course Schedule

The schedule is subject to change and topics may be added/omitted depending on the pace of the class. BKM stands for the Bodie, Kane and Marcus textbook.

Week	Date	Topics	Readings
1	8/21	Introduction to the course and StockTrak project	
2	8/26	StockTrak project (<i>cont.</i>)	BKM Ch. 1, Ch.22
	8/28	Lecture 1. Investment: background & issues	
3	9/2	Labor day – no class	
	9/4	Lecture 2. Asset classes and financial instruments	BKM Ch. 2
4	9/9	StockTrak “Investment policy statement” due on 9/8; StockTrak trading starts on 9/9	
	9/11	Lecture 3. How securities are traded	BKM Ch. 3
5	9/16	Lecture 4. Mutual funds	BKM Ch. 4
	9/18		
6	9/23	HW 1 due on 9/23	
	9/25		
7	9/30	1st midterm exam	
	10/2	Lecture 5. Risk and Return	BKM Ch. 5.1 – 5.3
8	10/7	Student Recess – no class	
	10/9	Lecture 6. Diversification and Risky Asset Allocation	BKM Ch. 6
9	10/14		
	10/16		
10	10/21	Lecture 7. Asset pricing models	BKM Ch. 7
	10/23	StockTrak trading ends on 10/25	
11	10/28	Lecture 8. Performance evaluation	BKM Ch. 18
	10/30	HW 2 due on 10/28	
12	11/4	2nd midterm exam	
	11/6	Lecture 9. Bond prices and yields	BKM Ch. 10 and 11
13	11/11		
	11/13		
14	11/18	Lecture 10. Common stock valuation	BKM Ch. 13
	11/20		
15	11/25	Lecture 11. Stock options	BKM Ch. 15
	11/27	Thanksgiving – no class	
16	12/2	Lecture 11. (<i>Cont.</i>)	
	12/4	Wrap-up and review StockTrak report due on 12/4	
Final	12/9	2:00 – 4:30 pm	