FINN 3222-021
Financial Management
Summer II 2019

Instructor: Xi Mo
Office: Friday 205
Email: xmo2@uncc.edu
Office Hours: Monday & Wednesday 4:00pm-05:00pm and by appointment
Class time: Monday & Wednesday 5:30pm – 09:15pm
Class location: Friday 112

Prerequisites
FINN 3120 Financial Management
Access to and familiarity with web browsers, a spreadsheet program and a word-processing program.

Course Overview and Objectives
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 Expectation

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

Course Materials

- **Handouts (required):** Handouts will be available from Canvas before classes. 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.
- **Problem sets:** Problem sets and answer keys will be posted on Canvas.
- **Financial Calculator (required):** Please bring a calculator with financial functions to every class. Texas Instruments BA II Plus will be the calculator model used in class.

Grading

Your final grade will be based on two midterm exams, a final exam, and attendance according to the following weights. Your overall numerical grade will be rounded to the nearest integer and then converted to a letter grade according to the following table:

<table>
<thead>
<tr>
<th>Item</th>
<th>Credits</th>
<th>Grading Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm exam 1</td>
<td>30</td>
<td>A ≥ 90</td>
</tr>
<tr>
<td>Midterm exam 2</td>
<td>30</td>
<td>B [80, 89]</td>
</tr>
<tr>
<td>Final exam</td>
<td>30</td>
<td>C [70, 79]</td>
</tr>
<tr>
<td>Attendance</td>
<td>10</td>
<td>D [60,69]</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>F &lt;60</td>
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</tbody>
</table>

- **Exam Policy:** The Midterm 1 and 2 will be given during regular class meeting time and each accounts for 30 credits. The Final exam accounts for 30 credits. All three exams are not cumulative. The grade of exams will be 100 points (The test may include bonus questions. In that case, the highest grade can be above 100 points). Please refer to the attached course timetable on the last page and be well prepared. All exams will be closed book and closed notes, one page of cheat sheet is allowed (can be two-sided). Always bring a financial calculator!
- **Attendance:** Students are expected to attend all classes and to actively participate in class discussion. I will randomly give you N pop quizzes during classes for attendance. Students who come to the class and take the quiz will get 10/N points each quiz, and the students who can answer all of the questions correctly will get another 1 bonus point for that quiz.
- **Assignments:** There will be problem questions at end of each handout. The problem sets and the solutions will be posted through Canvas. No need to submit the homework but you should practice and study solutions. Problem sets will serve as great exercises and
references for exams.

- **Example:** Assume you get 80 on midterm 1, 85 on midterm 2, and 98 on final exam. At end of this semester suppose I give 8 pop quizzes in total. You take 4 pop quizzes, and correctly answer 2 of them. Then your final grade will be:
  
  \[
  80*30\%(\text{midterm1})+85*30\%(\text{midterm2})+98*30\%(\text{final})+4*10/8(\text{attendance})+2*1(\text{quiz bonus}) = 85.9, \text{ which will result in a grade of B}. 
  \]

**Make-up policies for Exams**

Make-ups for exams (two midterms and final) may be requested for valid excuses only. All excuses must have verifiable documentation. Foreseeable excuses (e.g. athletes on traveling squads) must be documented in advance. **Requests must be received and documented 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 doctor’s letter). Students who fail to make-up a missed examination, or fail to attend the scheduled final exam, will receive a score of zero for all missed work.

**Important Dates**

- July 1: First day of class
- July 10: Midterm exam 1
- July 24: Midterm exam 2
- August 7: Final exam (6:30 pm-9:00 pm)

**Academic Integrity**

All UNCC students have the responsibility to be familiar with and to observe the requirements of The UNCC Code of Student Academic Integrity (see the Catalog). 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). Any further specific requirements or permission regarding academic integrity in this course will be stated by the instructor, and are also binding on the students in this course. Students who violate the code can be punished to the extent of being permanently expelled from UNCC and having this fact recorded on their official transcripts. The normal penalty is zero credit on the work involving dishonesty and further substantial reduction of the course grade. In almost all cases, the course grade is reduced to F. If you do not have a copy of the code, you can obtain one from the Dean of Students Office. Standards of academic integrity will be enforced in this course. Students are expected to report cases of academic dishonesty they become aware of to the course instructor who is responsible for dealing with them.

**Course Withdrawal**

Under the UNCC Course Withdrawal Policy, students may withdraw from a course until the withdrawal deadline and the mark of W will be assigned. No withdrawals will be permitted after the course withdrawal deadline. It is the student's responsibility to determine by the withdrawal deadline whether to withdraw from the course or stay in for a grade.
Disability
If you have a disability that affects your ability to do the work in this course, please contact the Office of Disability Services to obtain a Letter of Accommodation in the first week of the semester and provide it to the instructor. The office is 230 Fretwell and the phone number is 704-687-4355.

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.

Tentative Course Timetable
The schedule is highly tentative and subject to changes. Topic may be added/omitted depending on the pace of the class.

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics</th>
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<tbody>
<tr>
<td>07/1</td>
<td>Handout 1: Markets and Securities</td>
</tr>
<tr>
<td>07/03</td>
<td>Handout 2: Fixed Income Securities</td>
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<td>07/08</td>
<td>Handout 3: Fixed Income Strategies</td>
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<td>07/10</td>
<td>Review &amp; Midterm 1</td>
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<td>07/15</td>
<td>Handout 4: Risk and Return</td>
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<td>07/17</td>
<td>Handout 5: Portfolio Theory</td>
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<td>07/22</td>
<td>Handout 6: Asset Pricing Models</td>
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<tr>
<td>07/24</td>
<td>Review &amp; Midterm 2</td>
</tr>
<tr>
<td>07/29</td>
<td>Handout 7: Equity Valuation</td>
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<tr>
<td>07/31</td>
<td>Handout 8: Performance Evaluation</td>
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<tr>
<td>08/05</td>
<td>Review</td>
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<tr>
<td>08/07</td>
<td><strong>Final Exam</strong>: 6:30 pm – 9:00 pm</td>
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