

**Syllabus**  
**FIN 413 Investment Analysis**

Instructor: Rachel Koh, PhD  
Term: Aug 18, 2023 - Oct 13, 2023  
Office: MVS 1611

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Office Hours: Tuesday 7-8 PM (or by  
appointment)

*Course Description:* This upper-level finance course is one of the required courses for completing the finance option or an elective course for a business major. This course will cover portfolio theory and investment analysis in various contexts. Students will learn to link financial theory to investment practice, utilizing data and tools available. Students will also learn about different investment instruments and strategies along with the securities available to the investor. At minimum, students are **expected to dedicate 15-18 hours at least (excluding the time spent on watching the lecture recordings) on average** per week for successful completion of the course. The effort will pay off, and students will come out of the course well-equipped with the necessary skills and knowledge for a financial career.

*Prerequisites:* FIN 300, working knowledge of algebra, statistics, and Microsoft Excel.

*Learning Outcomes* Students completing this course will be able to:

1. Understand the purpose and role of mutual funds and investment companies.
2. Explain and apply portfolio theory. In detail, you should be able to:
  - i) Understand the procedures to build efficient portfolio given the investment opportunity set (1, 5)
  - ii) Describe and implement financial models while understanding their shortfalls (1, 2, 3, 5)
  - iii) Discuss market efficiency and provide examples from the financial markets (1, 5)
3. Analyze bond and stock securities and understand their risks. (1,2,5)
4. Conduct macroeconomic and microeconomic analyses as necessary for effective portfolio allocation. (1, 2, 5)
5. Use the financial statements to assess firms for investment purposes. (1, 2, 5)
6. Work effectively with others (1,2,3,4,5,6)

\*Above Learning Outcomes aligns with MVS' Program Learning Outcomes for: 1) Critical thinking, 2) Oral communication, 3) Written Communication, 4) Conduct (Ethics), 5) Competencies in discipline, 6) Collaboration

*Course materials:*

- I. Textbook: **Required.** Essentials of Investment 10<sup>th</sup> , 11<sup>th</sup> or 12th Ed. By Bodie, Kane, Marcus (BKM, McGraw Hill). New or used or rent/buy a hard copy or electronic copy **without** Connect. You can choose to rent or buy any of the above editions.
- II. Accepi: We will be using Accepi for online reading assignment. You're required to do all the assigned readings, and I may not be able to cover every part of the reading. To assure that you keep up with your reading, this platform will be used to test your reading and problem solving skills based on the reading.  
  
You'll access the system through Canvas. The first time you do, you'll be asked to **pay \$9.95 by credit card**. You can then start working on the first assignment. Once you've completed the assignment, you can practice the same problem again with new numbers without affecting your overall score. If you have questions, let me know, or please visit <https://accepi.com/support> or contact [support@accepi.com](mailto:support@accepi.com).
- III. Microsoft Excel and Word: This course will rely more heavily on Excel than FIN 300. Make sure you are comfortable using basic functionalities on Excel.
- IV. Lecture recordings and slides: I will upload the lecture recordings and slides on Canvas.
- V. Calculator: **Required.** The same one you had for FIN 300. If you don't have any calculator at all (that supports advanced computations such as exp(), log(), ln(), etc.), please purchase the TI BAII or TI BAII Plus financial calculator. It supports every application and function needed for class. If you already have TI 83, 84, or a similar graphing calculator, purchasing a financial calculator (TI BAII or TI BAII Plus) is still encouraged. However, a graphing calculator does support financial applications **but** just be aware that it will demand some extra work for you to figure out how to use a TI 83 or 84 instead of TI BAII for financial applications, because I will primarily explain the TI BAII keys and functions in class. You will have to consult the tutorials on [www.tvmcalcs.com](http://www.tvmcalcs.com).
- VI. Canvas and CI email: Students must have accesses to course canvas and CSUCI email accounts. **Please turn on the email notification for announcements.**
- VII. Business/Finance/Economic news: **Recommended.** You can find the latest issues of The Wall Street Journal and BusinessWeek at the university library, or find daily business/finance news on websites such as <http://www.bloomberg.com/>, <http://money.cnn.com/>, <http://finance.yahoo.com/>.

*Course Grade Composition:*

- I. Accepi (35%)
- II. Applications (25%)
- III. Exams (40%): Two midterms and the final.

### Details on the Grade Components

- I. Accepi: This online quiz based on the textbook reading will check your understanding of the concepts and help you practice some basic problems.
- II. Applications: Application assignments are meant for you to learn to apply concepts and tools learned in class to practice using real financial data and resources and Excel. More detailed instructions will be provided for each application.
- III. Exams: There will be two non-cumulative midterm exams and a cumulative final exam. How to study for the exams: review everything on the lecture slides at minimum, do all the assigned reading to supplement your understanding of the concepts discussed in class, memorize the key terms, *do all the concept check problems (solutions provided at the end of chapter)*, practice the Accepi questions.
  - a. Please **email at least 10 days in advance** if you cannot take the exam on the designated dates. If you fail to notify at least 10 days in advance, you agree to forfeit the right to take the make-up exam. If a sudden illness prevents you from taking it on time, you *have to* bring me a doctor's note from the university clinic visitation.

### Topics to be Covered:

Chapter	Contents	Textbook Pages (10th Ed)
4	Mutual funds and other investment companies	84-103
5	Risk and return	111-139
6	Efficient diversification	147-179
7	CAPM and APT	192-219
8	The efficient market hypothesis	232-256
9	Behavioral finance	264-278
10	Bond prices and yields	290-322
11	Managing bond portfolios	334-343, 350-353
12	Macroeconomic and industry analysis	370-393
13	Equity valuation	402-416
14	Financial Statements Analysis	484-494

*Letter Grade:* Course letter grade will be determined based on the percentage of your points out of 1000. The “ABCD” grading system will be used with the addition of “+” or “-” to any grade except “F.” By adding a “+”, the grade points earned shall increase by 0.33 (except that A+ shall still be 4.0 grade points). By adding a “-”, the grade points earned shall decrease by 0.3.

Percentage grade	Letter grade	Grade points of a four-point scale
100% or above	A+	4.0

93% to 99%	A	4.0
90% to 92%	A-	3.66
87% to 89%	B+	3.33
83% to 86%	B	3.0
80% to 82%	B-	2.66
77% to 79%	C+	2.33
73% to 76%	C	2.0
70% to 72%	C-	1.66
67% to 69%	D+	1.33
63% to 66%	D	1.0
60% to 62%	D-	0.66
Below 60%	F	0

### ***Course Outline***

#### Week 1: August 18-August 24

Chapter 4 Mutual funds and other investment companies

Chapter 5 Risk and Return

#### Week 2: August 25-August 31

Chapter 5 Risk and Return

Chapter 6 Efficient Diversification

#### Week 3: September 1 - September 7

Chapter 6 Efficient Diversification

Chapter 7 CAPM and APT

Midterm 1 Covering Chapter 4-7: September 9-10

#### Week 4: September 8 - September 14

Chapter 8 Efficient Market Hypothesis

Chapter 9 Behavioral Finance

#### Week 5: September 15 - September 21

Chapter 10 Bond prices and yields

Week 6: September 22 - September 28

Chapter 11 Managing bond portfolios

Chapter 12 Macroeconomic and industry analysis

Midterm 2 Covering Chapter 8-12: September 30 - Oct 1

Week 7: September 29- October 5

Chapter 13 Equity valuation

Chapter 14 Financial statements analysis

Week 8: October 6 - October 12

Study for Final

Cumulative Final Exam : Oct 12-13

*Course Policies*

A. **No late assignments will be accepted.** If you will not be able to turn in an assignment on time due to a special circumstance, **please notify me immediately.** Special permissions for late coursework may be granted due to illness, injury, or family emergencies. However, **a 10 percent grade deduction per day will apply to all late assignments that are accepted.**

B. **Cheating and Plagiarism:** This course will adhere to CSUCI's **academic dishonesty policy.** "CI values academic integrity and will not tolerate acts of academic dishonesty. If a student commits an act of academic dishonesty in a course, the faculty member shall handle the incident based on applicable campus procedures." A student will automatically **fail** the class due to academic dishonesty.

C. **Accommodations for Students with Disabilities:** Cal State Channel Islands is committed to equal educational opportunities for qualified students with disabilities in compliance with Section 504 of the Federal Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA) of 1990. The purpose of **Disability Accommodations and Support Services** is to assist students with disabilities to realize their academic and personal potential. Students with disabilities needing accommodation are required to contact the Disability Program office at (805) 437-3331. All requests for accommodations need appropriate advance notice by the student to avoid a delay in services. Please discuss approved accommodations with faculty.

**Instructor Communication Policy**

1. Please contact me by emailing me at [rachel.koh@csuci.edu](mailto:rachel.koh@csuci.edu). **It is your responsibility to check your CSUCI email account and Canvas regularly for announcements and additional information.**
2. All email communications outside of Canvas should have the following subject heading: FIN413, followed by a brief summary of your issue or concern. I will respond to emails within 48 hours, weekends and university holidays excluded.
3. If you encounter technical issues when working on your online quizzes or other assignments, please email the University Help desk at [helpdesk@csuci.edu](mailto:helpdesk@csuci.edu) and copy me on the email. Your email should briefly and succinctly describe the problem. **Note: There are no IT technicians to help you over the weekends.** To avoid disruptive last-minute technical glitches, **please don't wait until the last minute to work on your assignments.**

\*Source: <http://blogs.lsc.edu/expectations/netiquette-guidelines/>

### **Technical Support**

If you run into technical problems during this course, you should do the following:

1. Clear your browser's cache
2. Try a different browser (Internet Explorer, Firefox, Safari, or Chrome)
3. Shut down and restart your computer
4. Contact the University Help desk [helpdesk@csuci.edu](mailto:helpdesk@csuci.edu) or 805-437-8552

**Note:** Information contained in this syllabus, other than that mandated by the University, may be subject to change without advance notice. Topics and assignments and their timing listed under the tentative course schedule may be adjusted during the semester depending on the pace and needs of the class.

## **Our Class Disruption Plan**

### **Disruption?**

Yes! A disruption means you, me, or all of us cannot participate in 'class as usual' for a reason we could not predict at the beginning of the semester. After COVID-19, we are well aware that disruption can happen fast. While we hope to avoid any closures due to COVID related reasons, let's face it, disruption happens every semester. You may get sick, I may get sick, or campus may close due to a wildfire - this is California afterall. Life happens! Our goal as a learning community is to do our best to keep teaching and learning with as little interruption as possible.

This page explains what you can expect from me and what I expect from you when facing disruption - small or big!

## **If I am 'out'**

If for any reason I have to be absent unexpectedly for at least a week or longer, I will make sure to announce it as soon as I can through Canvas announcements. I will most likely have some materials for you to work on, such that you know what to do without my immediate instruction. Please keep an eye out for all the announcements I send out.

## **If you are 'out'**

If you know ahead of time you're going to be absent for a certain length of time, then let me know, such that I can provide directions as to how to keep pace and stick with the course without falling too behind.

If your absence is not expected (due to illness, family emergency, etc), then contact me when you can, at your earliest convenience. In case of illness, if you can keep the doctor's note from your illness, then it'd help. Once you return and resume work, contact me such that I can provide directions as you how to catch up.

## **If Campus Closes**

If all of campus closes, which has happened at least once over the last three or more academic years, I will communicate to you through the Canvas announcements, which will arrive in your email inbox.