

Syllabus FIN 413 Investment Analysis

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Term: Fall 2022
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Office Hours: MW 10:15AM - 11:45AM (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 9-12 hours** 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. (1,2,5,6)
4. 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 9th, 10th, 11th 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. Just be aware that the page numbers and problem set questions will be based on the 10th edition.
- 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.

- 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 BAI or TI BAI 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 BAI or TI BAI 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 BAI for financial applications, because I will primarily explain the TI BAI keys and functions in class. You will have to consult the tutorials on www.tvmcalcs.com.
- VI. Canvas and CI email: Students must have access 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/>.
- VIII. INVESTOPEDIA Stock Challenge (Optional: Extra Credits): The course will feature a stock market simulation. Students will have the chance to manage a portfolio throughout the semester. This is accessed through the web and is free-of-charge. You will receive a link to join the simulation for our class.

Course Grade Composition:

- I. Accepi (35%)
- II. Assignments (20%)
- III. Project Report (15%)
- IV. Exams (30%): 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. Each is worth 50 points.
- II. Assignments: There will be a number of online assignments, throughout the course. Each assignment will be different in format and the number of points, so please read the instructions for each assignment carefully.
- III. Individual Project Report: Everyone is responsible for working on and submitting the report independently. It is meant for you to learn a real-world application of concepts and tools learned in class. More detailed instructions will be provided in about a month into the course.
- IV. Exams: There will be two exams in class. The final exam will be cumulative.
 - a. 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 until proficient.
 - b. As this is an upper level elective course, no sample exams will be provided to directly guide you. Do your best to study for the exam in your own way.
 - c. Please **schedule an appointment at least 10 days in advance** if you cannot take the exam on the designated date. If you fail to notify me at least 10 days in advance, you agree that you forfeit the right to take the make-up exam. The make-up exam needs to be taken during the 1-week period *before* the actual exam date. 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.
 - d. There will be no retake opportunity in case you score below 60%.

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 “ABCDF” 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 0.33.

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

Final Exam : TBD

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. **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 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.**

Online Course Netiquette Guidelines

All students in this course will be expected to abide by the following Netiquette Guidelines*:

1. **Review all discussion postings before posting your own to prevent redundancy.**
2. Be aware that typing in all capital letters indicates shouting.
3. Be careful with humor and sarcasm. Both can easily be misunderstood!
4. Check your writing for errors by reviewing what you've written before submitting it.
5. Acronyms (LOL, etc.) and emoticons (smiles) are commonly used online, but be careful not to overuse them.
6. Respect the privacy of your classmates and what they share in class.
7. Ask classmates for clarification if you find a discussion posting offensive or difficult to understand.
8. Avoid sweeping generalizations. Back up your stated opinions with facts and reliable sources.
9. Understand that we may disagree and that exposure to other people's opinions is part of the learning experience.
10. Be respectful of each other. We're all in this together. Before posting a comment, ask whether you would be willing to make the same comment to a person's face.
11. Keep in mind that everything you write, indeed every click of your mouse is recorded on the network server. On the Internet there are no "take backs."
12. Keep in mind that you are taking a college class. Something that would be inappropriate in a traditional classroom is also inappropriate in an online classroom.

*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 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.