Goals and Objectives: The analysis and valuation of securities and the management of investment portfolios. Students will study the impact of economic factors and security markets upon security value.

Course Materials and expectations:
The required textbook for this course:
Investments by Bodie, Kane, and Marcus, 8th edition, © 2009 by The McGraw-Hill Companies, Inc.

An ebook option is available at www.CourseSmart.com and www.vitalsource.com (I have been told that you can try the ebook option before you buy it).

Supplemental materials may be placed on the course website, reserve in the library and/or recommended in class.

You are expected to stay current with financial news. One of the best ways to do this is to read The Wall Street Journal and BusinessWeek regularly, and track financial news on the web.

Prerequisites:
C minimum in FIN 331, and completion of FIN 334 and ACCY 301.

Grading
Grades will be based on four mid-semester exams, homework/quiz scores, and a cumulative final exam. Each of the best 4-out-of-5 exam grades will count 25% each.

Further, course grades are based on a modified ten-point scale, i.e., an A is assigned for a course average of 90-100, a B is assigned for a course average of 80-89, a C is assigned for a course average of 70-79, a D is assigned for a course average of 60-69, and a F is assigned for a course average of below 60. Any reduction or modification in the minimum average to receive a particular grade will be made consistently across all students (e.g., a student with an 89.3 will not be awarded an A grade and one with an 89.6 a B). Determination of the final breakpoint (if lower than 90 for an A) will be made on the basis of difficulty of tests, distribution of final averages, and natural gaps in the distribution of final averages. The same is also true for B, C and D grades.

All exams will be closed book/closed notes and will be in a multiple choice and problem solving format. You will be provided with selected equations during each exam. The list of equations to be provided will be available on my web-site before each exam. Anything covered in class, in the assigned reading material, or the recent financial news is fair game.
There will be no make-up exams. It is your responsibility to attend all exams at the scheduled time. Your course grade is calculated on a best 4-out-of-5 basis. If an exam is missed – whether due to an emergency, tragedy, or simply because you are unprepared – then the remaining four test scores will be used to compute your class grade. Please do not ask to be granted an exception since there are no exceptions to this policy.

Using the best 4-out-of-5 test scores is equivalent to having a drop grade. You get ONLY ONE drop grade. Please exercise this option wisely.

If absences become excessive or it appears that students are not keeping up with the assigned work in the class, then I will alter the grading scheme to include homework and/or “quizzes.” This change will not be announced in advance, and there will be no make-ups. You must be present at the time homework is collected or the quiz is administered. You will not be allowed to turn in your homework or take a quiz late. If homework is collected at the beginning of class and you arrive one-minute later, then you will receive a zero for that homework assignment.

If you are a graduate student, please look at the course webpage for a syllabus addendum as you have additional work and your course grade will be weighted differently.

Notes:
You are encouraged to seek answers to your questions as they arise. Since this is a senior level class, prior knowledge is assumed (see prerequisites). This class will build on prior classes and may, consequently, be more complex. Please do not wait until the end of the semester or the day before a test to ask for help—there’s not much that can be done at that time.

Due to privacy issues, I do not e-mail grades and I do not give out grades over the telephone.

It is the responsibility of any student with a disability who requests a reasonable accommodation to contact the Office of Student Disability Services (915-7128). SDC will then contact the instructor through the student by means of an Instructor Notification of Classroom Accommodations form. Please complete the notification procedure within the first two weeks of the course. Please advise me in advance of any needs you may have as I CANNOT accommodate them at the last minute.

Phone usage
Please turn off your phone when in the classroom. All phones must be turned off and stored during exams as you will not be allowed to use the calculator on your phone during exams.
Please see me prior to class if there is an impending emergency that waiting until the end of class will materially alter.
Any student caught cheating will be assigned an F in the course. In most cases a statement will also be made to that effect in the student’s record.

School of Business Administration Statement of Academic Integrity
The School of Business Administration upholds honor and academic integrity in all of its teaching, research, and service activities. All business faculty, staff, and students are charged with the responsibility to behave with personal and professional integrity and to refrain from dishonorable conduct.
Tentative Class Schedule for FIN 533***
Fall 2008

Week 1  August 26 and 28
Introduction
Chapter 5: *Learning about Return and Risk from the Historical Record*
Chapter 14: *Bond Prices and Yields*

Week 2  September 2 and 4
Chapter 15: *The Term Structure of Interest Rates*
Chapter 16: *Managing Bond Portfolios*

Week 3  September 9 and 11
September 11 **Test 1 (Chapters 5, 14 – 16)**

Week 4  September 16 and 18
Chapter 11: *The Efficient Market Hypothesis*
Chapter 12: *Behavioral Finance and Technical Analysis*
Chapter 18: *Equity Valuation Models*

Week 5  September 23 and 25
Relative Valuation Techniques

Week 6  September 30 and October 2
Chapter 26: *Hedge Funds*

Week 7  October 7 and 9
October 9 **Test 3 (Chapters 11, 12, 18 and 26 and relative valuation)**

Week 8  October 14 and 16
Chapter 20: *Option Markets: Introduction*
Chapter 21: *Option Valuation*

Week 9  October 21 and 23
Chapter 22: *Futures Market*

Week 10 October 28 and 30
October 30 **Test 3 (Chapters 20 – 22)**

Week 11  November 4 and 6
Chapter 6: *Risk Aversion and Capital Allocation to Risky Assets*
Chapter 7: *Optimal Risky Portfolios*
Chapter 8: *Index Models*

Week 12  November 11 and 13
Chapter 9: *The Capital Asset Pricing Model*
Chapter 10: *APT and Multifactor Models of Risk and Return*

Week 13  November 18 and 20
November 20 **Test 4 (Chapters 6-10)**
Week 14    November 25 and 27
THANKSGIVING BREAK

Week 15    December 2 and 4
Review

December 11, 2008    Comprehensive final exam (8:00 – 11:00)

***I reserve the right to alter the class schedule as circumstances dictate. Changes to the syllabus will be announced in class. Students not attending class are responsible for obtaining this information.