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, © 2005 by The McGraw-Hill Companies, Inc.

Supplemental materials may be placed on 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.

Our class is managing the portfolio for the Student Investment Challenge sponsored by Sterne, Agee, and Leach, Inc. You will be offered the opportunity to participate in stock selection decisions as well as provide useful input for the decision making process.

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. The grade will calculated as follows:

   Exams:     90% (the best 4-out-of-5 exam grades will count 22.5% each)
   Homework/quizzes: 10% (the best 10-out-of-12 homework/quiz scores)

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 formulae during each exam. The list of formulae 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.

I will pick up homework or administer a “quiz” periodically during the semester. A page on my website will list the homework assignments. The best 10-out-of-12 homework and quiz scores will count 10 % of your total class score. **There are 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.

**Cell phone usage**
Please turn off your cell phone when in the classroom. All cell phones must be turned off and stored during exams as you will not be allowed to use the calculator on your cell 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.

2006 Spring Class Schedule ***

The following indicates topics to be covered in class, along with the relevant chapters in the text. End-of-chapter problems will be suggested as the semester progresses.

**Week 1**  January 18 and 20
Introduction
Chapter 6: *Risk and Risk Aversion*

**Week 2**  January 23, 25, and 27
Chapter 7: *Capital Allocation Between the Risky Asset and the Risk-free Asset*

**Week 3**  January 30, February 1, and 3
Chapter 8: *Optimal Risky Portfolios*
Chapter 9: *The Capital Asset Pricing Model*

**Week 4**  February 6, 8, and 10
February 8 and 10  **Test 1 (Chapters 6, 7, 8 and 9)**

**Week 5**  February 13, 15, and 17
Chapter 14: *Bond Prices and Yields*
Chapter 15: *The Term Structure of Interest Rates*

**Week 6**  February 20, 22, and 24
Chapter 16: *Managing Bond Portfolios*

**Week 7**  February 27, March 1, and 3
March 1 and 3  **Test 2 (Chapters 14, 15 and 16)**

**Week 8**  March 6, 8, and 10
Chapter 18: *Equity Valuation Models*
Relative Valuation Techniques

**Week 9**  March 13, 15, and 17
Spring break—no class

**Week 10**  March 20, 22, and 24
Chapter 12: *Market Efficiency and Behavioral Finance*

**Week 11**  March 27, 29, and 31
March 29 and 31  **Test 3 (Chapters 12, 18, and relative valuation)**
Week 12    April 3, 5, and 7
Chapter 24:  *Portfolio Performance Evaluation*

Week 13    April 10 and 12
Chapter 26:  *The Process of Portfolio Management*
April 14—no class

Week 14    April 17, 19, and 21
Chapter 27:  *The Theory of Active Portfolio Management*

Week 15    April 24, 26, and 28
April 24 and 28   **Test 4 (Chapters 24, 26, and 27)**

Week 16    May 1, 3, and 5
Problem solving

May 10    **Comprehensive final exam** (noon)

**Important dates:**
February 20—deadline for course withdrawals
March 13 -17—Spring Break
May 5—Last day of classes

***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.***