

INVESTMENTS – FIN 401–01

Prerequisite: FIN 301

Fall 2016

Instructor: Chandan Jha**Lectures:** SCA 318, T TH 10:00AM–11:15AM**Office:** Reilly Hall 330**Office hours:** T TH 2PM–4PM**Office Phone:** 445–4436

or by appointment.

E-mail: jhack@lemoyne.edu (Emails will be answered within 24 hours barring weekends.)Course website: <https://canvas.lemoyne.edu>
Log in with your Le Moyne ID and password.

Course Description

This course provides an introduction to modern investment theories and practice for undergraduate students. The topics covered in the course relate to important issues facing an investor in capital markets. The course is organized in following parts:

- Important Conceptual Tools (Chapters 4 & 5): This part introduces students with the concepts of risk and return in financial markets and portfolio choice.
- Investing in Fixed-Income Securities (Chapters 10 & 11): In this section, we learn the fundamentals of investing in fixed-income securities including the valuations of bonds.
- Investing in Common Stocks (Chapters 6 & 8): This section deals with the fundamental of investing in stocks.
- Derivative Securities (Chapters 14 & 15): This section familiarizes students with the derivative securities including *options* and *futures markets and securities*.

Learning Objectives

- Have a general knowledge of securities markets and their risk-return performance in recent history.
- Understand the modern portfolio theory and the asset pricing theories in capital markets.
- Understand the factors that affect securities valuation and asset allocation decisions.
- Apply analytic and critical thinking skills to investment strategies in the real world.
- Develop the ability to address ethical dilemmas with respect to financial decisions.
- Last, but not least important, develop educated intuition in investment analysis of capital markets in general.

Course Materials

Required Textbook: *Fundamentals of Investing (13th edition)* by Scott B. Smart, Lawrence J. Gitman, Michael D. Joehnk plus access code to myfinancelab for the book (Bookstore has details).

Required: A financial calculator, preferably Texas Instruments BAII Plus.

Additional Readings: Articles from the popular press such as *Wall Street Journal* and *The Economist* and Federal Reserve's website will be assigned periodically. Links to these articles or copies of the articles will be posted on [Canvas](#).

Grading Scale

90– < 94	A–	> 94	A		
80– < 84	B–	84– < 87	B	87– < 90	B+
70– < 74	C–	74– < 77	C	77– < 80	C+
60– < 70	D				
< 60	F				

Grading Policy

Graded Item	Weight	Description
Homework	25%	Multiple homeworks (including summaries of assigned articles) will be assigned.
Project	15%	Details about the project will be provided during the first week of classes.
Exams	60%	3 midterm exams – 20 percent each.
Bloomberg Market Concepts (BMC)		Your grade will be upgraded to the nearest letter grade upon the completion of BMC. Instruction on how to register and complete the BMC will be provided.

Students with Disabilities

If you have a disability and need accommodations, please meet with me within the first two weeks of the semester to review your accommodation sheet. You should meet with someone from the Office of Disability Support Services each semester to review your documentation. The Office is located in the Library (1st floor; 445 4118; dss@lemoyne.edu).

Missed Exam, Project, and Homework Policy

Any exams missed without a legitimate excuse and written documentation will receive a grade of zero. You have one week from the missed exam date to produce officially approved written documentation. The college approved excuses can be found at <http://www.lemoyne.edu/tabid/3070/default.aspx>.

Observance of Religious Holidays

As provided in New York State Education Law Section 224-a, any student who is unable to register for class, attend class, or participate in any examination, study or classwork requirements on a

particular day because of his or her religious beliefs is eligible for an equivalent opportunity to register for classes or make up any missed examination, study, or classwork requirements, without penalties or additional fees. For details, see the “Class Attendance” section of the College catalog or the “[Academic Life](#)” section of the Student Handbook.

Academic Standards

Students are expected to observe at all times the highest ethical standards as members of the academic community. Any form of dishonesty makes a student liable to severe sanctions, including expulsion from the College. For details, see the “Academic Standards” section of the College catalog or the Student Handbook.

Tentative Course Schedule and Reading Assignments

1. Important Conceptual Tools (August 30 – September 20)
 - Syllabus and Introduction
 - Return and Risk (Chapter 4).
 - Modern Portfolio Concepts (Chapter 5).
2. Investing in Fixed-Income Securities (September 22 – October 13).
 - Fixed-Income Securities (Chapter 10).

Exam 1 (Chapters 4, 5, & 10): October 4.

- *October 11: Fall break, no class.*
 - Bond Valuation (Chapter 11).
3. Investing in Common Stocks (October 17 – November 8).
 - Common Stocks (Chapter 6)
 - Stock Valuation (Chapter 8).

Exam 2 (Chapters 11, 6, & 8): November 10.

4. Derivative Securities (November 15 – December 8).
 - Options: Puts and Calls (Chapter 14).
 - *November 24: Thanksgiving break, no class.*
 - Futures Markets and Securities (Chapter 15).

Exam 3 (Chapter 14 & 15): TBA.