

FIN210 Principles of Investments

Syllabus Overview

This syllabus contains all relevant information about the course: its objectives and outcomes, the grading criteria, the texts and other materials of instruction, and weekly topics, outcomes, assignments, and due dates. Consider this your roadmap for the course. Please read through the syllabus carefully and ask questions if you would like anything clarified. Please print a copy of this syllabus for reference.

Course Description

3 Credits

Prerequisite: None

This course provides an overview of financial investing. You will become acquainted with the basics of stocks, bonds, and exchange traded funds, investment theory, the relationship between risk and return and investment decision making. The goal of the course is to provide you with an understanding of the basics of investment planning and portfolio construction.

Course Outcomes

At the completion of this course, students should be able to:

- Describe the role of the financial markets
- Explain the investing process
- Recognize the players in the financial markets
- Explain and describe the major stages of the Initial Public Offering Process
- Demonstrate an Understanding of the Investor Life Cycle
- Demonstrate an understanding of the role of Behavioral Finance in investor decision making.
- Demonstrate a basic understanding of Modern Portfolio Theory
- Demonstrate an understanding of Fundamental and Technical Analysis to evaluate and predict stock price movements.
- Define risk in the context of financial investing
- Demonstrate an understanding of diversification and its impact on portfolio performance
- Display an understanding of the basic nature of stocks and stock trading
- Demonstrate an understanding of the key features of bonds and apply that knowledge to pricing

- Demonstrate an understanding of the basic principles of Exchange Traded Funds

Communication with Your Instructor

You will receive a welcome email from your instructor prior to the start of class. This email will contain your instructor's contact information. Your instructor will also be communicating with you via several methods in the course, including:

- **Announcements** – This communication tool, located on the navigation menu within your course in Canvas, contains important updates. Be sure to check for new announcements from your instructor each time you access your course.
- **Q&A** – Use this discussion board, located on the Home screen in your course, to communicate with your instructor and classmates regarding general course questions (i.e. missing links, assignment clarification, etc.).
- **Inbox** – Use the Inbox, located in the top right corner of Canvas, to send a message to your instructor or classmates.

Materials and Resources

Required or Supplemental Text or Resources:

There is no required textbook. All readings are provided within the course.

Bookstore Information

The bookstore can be located in the left-hand navigation of any Canvas course.

Library Services

Detailed information about the eLibrary can be found in the Student Resource Center. This is a course that all students have access to during their academic career.

Canvas Help Desk and Technical Questions

If you experience technical issues in your course, please contact the Canvas Help Desk by clicking the Help link (top right corner within Canvas). There are 3 ways to contact them:

- Phone (888-628-2749)
- Live chat
- Report a problem (submit a ticket)

Be sure to notify your instructor of any technical difficulties you are experiencing.

Additional resources are available in the Student Resource Center and the Canvas Guides website:

<https://community.canvaslms.com/docs/DOC-4121>

Weekly Schedule

Week 1 The Investment Environment	
Outcomes	<ul style="list-style-type: none"> • Describe the role of the financial markets • Explain the investing process • Recognize the players in the financial markets • Explain and describe the major stages of the Initial Public Offering Process • Demonstrate an understanding of the Investor Life Cycle
Readings	<ul style="list-style-type: none"> • Initial Public Offerings • The Function of Financial Markets • Financial Market Actors • The Global Financial System: A Functional Perspective • Investments • The Trader's Job <p>Supplemental Resources:</p> <ul style="list-style-type: none"> • The Investor's Advocate: How the SEC Protects Investors, Maintains Market Integrity, and Facilitates Capital Formation • Bloomberg Market Data
Lectures	<ul style="list-style-type: none"> • Lecture 1: Investment Basics • Lecture 2: Investment Banking: The IPO Process
Multimedia	<ul style="list-style-type: none"> • How The Markets Work • Initial Public Offering (IPO) Explained
Discussion	The Right Stock for the Right Time
Assignment	Investment Policy Statement

Week 2 Investment Theory	
Outcomes	<ul style="list-style-type: none"> • Identify major aspects of Modern Portfolio Theory (MPT) • Identify major aspects of Behavioral Finance • Apply theoretical aspects of MPT to investment decision making • Recognize how Behavioral Finance influences the investment decision making process
Readings	<ul style="list-style-type: none"> • Modern Portfolio Theory and Behavioral Finance

	<ul style="list-style-type: none"> • Cognitive Dissonance: The Problem Facing Behavioral Finance • Did Modern Portfolio Theory Fail Investors in the Credit Crisis? • Behavioural Finance <p>Supplemental Resources:</p> <ul style="list-style-type: none"> • 4 Steps to Building a Profitable Portfolio • BehaviouralFinance.net
Lectures	<ul style="list-style-type: none"> • Lecture 1: Behavioral Finance • Lecture 2: Modern Portfolio Theory
Multimedia	<ul style="list-style-type: none"> • Michal Strahilevitz Talking about Investor Psychology on CNBC • CFA Exam Prep Level 3 Behavioral Finance • NBR (Following the Crowd) Your Mind and Your Money
Discussion	Behavioral Finance
Assignments	Modern Portfolio Theory and Behavioral Finance
Quiz	Refer to your course

Week 3 Asset Analysis	
Outcomes	<ul style="list-style-type: none"> • Demonstrate an understanding of fundamental analysis • Demonstrate an understanding of technical analysis • Demonstrate an understanding of the Efficient Market Hypothesis
Readings	<ul style="list-style-type: none"> • A Random Walk Down Wall Street • <i>Using Stock Fundamental Analysis to Value a Company</i> • Investing Basics: Fundamental Analysis • Investing Basics: Technical Analysis <p>Supplemental Resources:</p> <ul style="list-style-type: none"> • Big Charts from MarketWatch
Lectures	<ul style="list-style-type: none"> • Lecture 1: The Efficient Market Hypothesis • Lecture 2: Fundamental and Technical Analysis
Multimedia	<ul style="list-style-type: none"> • Stock Market Risk and Return • What is Fundamental Analysis • Support and Resistance Trading Simplified

Discussion	Behavioral Finance and Technical Analysis
Assignments	Fundamental and Technical analysis

Week 4	Risk & Return
Outcomes	<ul style="list-style-type: none"> • Determine the sources of risk • Choose types of securities which will achieve diversification • Demonstrate understanding of the metrics utilized for the analysis of risk and return
Readings	<ul style="list-style-type: none"> • <i>Beginner's Guide to Asset Allocation, Diversification, and Rebalancing</i> • The Efficient Frontier and Portfolio Diversification • Risk and Return • Beta: A Statistical Analysis of a Stock's Volatility <p>Supplemental Resources:</p> <ul style="list-style-type: none"> • Portfolio Beta • Risk and Diversification - Different Types of Risk • Asset Allocation Calculator
Lectures	<ul style="list-style-type: none"> • Lecture 1: Investment Basics • Lecture 2: Investment Banking: The IPO Process
Multimedia	<ul style="list-style-type: none"> • Risk Management • Understanding Beta
Discussion	Thinking About Beta
Assignments	Determining Risk-Appropriate Investments
Quiz	Refer to your course

Week 5	Trading Stocks
Outcomes	<ul style="list-style-type: none"> • Demonstrate an understanding of active and passive investment strategies • Demonstrate an understanding of the types of trade orders to use in a variety of scenarios • Explain the mechanics, risks, and implications involved in margin trading

Readings	<ul style="list-style-type: none"> • Types of Stock Trading Orders • Margin: Borrowing money to pay for stocks • Improve your understanding of passive and active investing <p>Supplemental Resources:</p> <ul style="list-style-type: none"> • Introduction to Trading Stocks
Lectures	<ul style="list-style-type: none"> • Lecture 1: Stock Trading • Lecture 2: Stock Margin
Multimedia	<ul style="list-style-type: none"> • What are Stocks • What is a Dividend • Stocks vs. Bonds • Basic Stock Trading Lessons – Buy Limit Order • Basic Stock Trading Lessons – Sell Limit Order • Basic Stock Trading Lessons – Sell Stop Order
Discussion	Investing Personality
Assignments	Understanding the Relationship Between the Sock Market and the Broader Economy

Week 6 Bonds	
Outcomes	<ul style="list-style-type: none"> • Demonstrate an understanding of the key features of bonds and apply that knowledge to pricing • Demonstrate a basic understanding of both the normal and inverted yield curves • Calculate bond current yield • Calculate bond yield to call • Calculate bond yield to maturity
Readings	<ul style="list-style-type: none"> • Bond Basics • Bonds • What are Bond Investments? • The Danger in Bonds • Who Should Buy Bonds? <p>Supplemental Resources:</p> <ul style="list-style-type: none"> • Treasury Direct

Lectures	<ul style="list-style-type: none"> • Lecture 1: Bonds • Lecture 2: Bond Valuation
Multimedia	<ul style="list-style-type: none"> • Introduction to Bonds • Yield to Maturity • Bond Pricing • Zero Coupon Bond • Yield to Call
Discussion	Stocks or Bonds?
Assignments	Understanding the Yield Curve
Quiz	Refer to your course

Week 7 Exchange Traded Funds	
Outcomes	<ul style="list-style-type: none"> • Demonstrate an understanding of the basics of Exchange Traded Funds • Differentiate between mutual funds and ETFs • Display an ability to use ETFs as part of portfolio diversification
Readings	<ul style="list-style-type: none"> • Exchange-Traded Funds (ETFs) • ETF Insights: Q&A With Jon Stein <p>Supplemental Resources:</p> <ul style="list-style-type: none"> • Seeking Alpha – EFTs & Portfolio Strategy • Stock Encyclopedia • MorningStar • ETF Trends • Yahoo Finance ETF Center
Lectures	<ul style="list-style-type: none"> • Lecture 1: Exchange Traded Funds
Multimedia	<ul style="list-style-type: none"> • What is an ETF • How Mutual Funds Work • ETF Investing Tips CNBC & Agilevesting.com
Discussion	Are You an Active or Passive Investor?

Assignments	Understanding Exchange Traded Funds
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Week 8	Basic Investment Strategies
Outcomes	<ul style="list-style-type: none"> • Demonstrate an understanding of Asset Allocation • Develop an investment strategy based on investor constraints and objectives • Produce a written financial plan for the hypothetical client Jake introduced in Week One
Readings	<ul style="list-style-type: none"> • Beginners' Guide to Assess Allocation, Diversification and Rebalancing • 6 Asset Allocation Strategies that Work • There's Money in Them Thar Stockpicking Hills • 10 Stocks for the Next 10 Years <p>Supplemental Resources:</p> <ul style="list-style-type: none"> • Asset Allocation Calculator
Lectures	<ul style="list-style-type: none"> • Lecture 1: Basic Investment Strategies • Lecture 2: Asset Allocation
Multimedia	<ul style="list-style-type: none"> • ETF Investing: Asset Allocation • Did Asset Allocation fail Investors in 2008 • Asset Allocation Did Not Fail
Discussion	Using Betas in Active Investment Strategy
Quiz	Refer to your course

Grading and Evaluation

Your grades will reflect the way in which you present and support your topics and positions in the various learning activities used in this course. The grades will be based on the quality and quantity of your comments and responses in the various activities.

Be sure to review the discussion and assignment rubrics in the course for specific grading criteria.

The various graded activities are weighted as follows:

Course Element	% of Final Grade
Assignments	40%
Discussions	30%
Quizzes	30%
Total	100%

Students will be expected to meet all the deadlines of the class as indicated throughout the course and in the syllabus. This is primarily so we don't get behind in the course. In addition, discussions cannot overlap from one week to the next. This is to ensure that all discussions and submissions take place within the week they are scheduled in order to be of value to the entire class as well as to help you not get behind. If there are extenuating circumstances, you will need to communicate that to the instructor and make arrangements accordingly, if appropriate.

Late Assignments: Exceptions are to be determined by the instructor on a case-by-case basis. There will be no opportunities for extra credit.

Learner Success Guidelines

These guidelines are provided to help you succeed in your coursework:

- Participate in the class introduction activity on the first day of class.
- Submit ALL assignments by the posted due dates and times.
- Check your emails daily.
- Contact Portal Help for logon problems or Canvas Help for technical issues with Canvas.
- Participate fully in all threaded discussions.
- Contact your instructor if you have questions about an assignment or need additional help completing your work successfully.

Academic dishonesty is grounds for dismissal from the program.

Academic Policies

The following Academic Policies can be found in the [Student Resource Center](#).

- Grading Criteria
- Reasonable Accommodations Policy

- Student Attendance Policy
- Academic Honesty and Integrity Policy
- Student Engagement and the Granting of Academic Credit
- Copyright Policy

Caveat

The above schedule, content, and procedures in this course are subject to change. All policies are superseded by the latest College Catalog available on our website:

<https://www.cambridgecollege.edu/student-rights-complaints-grievances/student-code-conduct>

Disclaimer

As a disclaimer, any materials in or related to this course are provided for educational purposes only and not for the purpose of providing any legal, financial, accounting, tax or other professional advice or services. The information provided in this class is of a general nature, and it cannot substitute for the advice of a licensed professional in any respect. The application and effect of laws may vary widely depending on the specific facts and jurisdiction, and no representation or warranty is made with respect to the accuracy of any materials in or related to the course. Accordingly, the information provided is solely for general educational purposes.