

## **FIN401 Investment Management**

### **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. The student 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 an understanding of the basics of investment planning and trading as well as portfolio construction.

### **Course Outcomes**

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

- Evaluate the significance of an investment policy statement
- Identify the various types of securities brokers and brokerage accounts
- Calculate initial and maintenance margin
- Critically evaluate the implications of the three forms of market efficiency.
- Critically evaluate the conceptual aspects of Behavioral Finance
- Apply the various methods of technical analysis
- Calculate expected returns and variances for individual securities and an investment portfolio.
- Distinguish between systematic and unsystematic risk
- Utilize the Security Market Line (SML) and the Capital Asset Pricing Model (CAPM)
- Demonstrate an understanding of the key features of bonds and apply that knowledge to pricing.
- Calculate bond current yield, yield to call, and yield to maturity
- Evaluate the basic types of corporate bonds and the basics of bond ratings
- Critically evaluate the basics of U.S. Treasury securities and how they are sold
- Demonstrate an understanding of the workings of mutual funds, exchange-traded funds, and hedge funds.

- Identify the basics of financial option contracts
- Demonstrate an understanding of basic financial option strategies

## 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:

Customized Textbook based on:

Jordan, B., Miller, T. & Dolvin, S. (2012). *Fundamentals of Investments*, 6/e. New York: McGraw Hill Higher Education

- Full Text ISBN: 0077400569
- Customized eBook ISBN: 9781121312661
- Customized Hardcopy ISBN: 9781121312685

## 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 Stock Trading	
Outcomes	<ul style="list-style-type: none"> <li>Evaluate the significance of an investment policy statement</li> <li>Identify the various types of securities brokers and brokerage accounts</li> <li>Calculate initial and maintenance margin</li> <li>Compare &amp; contrast the differences between the primary and secondary markets</li> <li>Demonstrate an understanding of the workings of physical stock exchanges and over-the-counter stock markets.</li> </ul>
Readings	<p>Textbook</p> <ul style="list-style-type: none"> <li>Chapter Two: The Investment Process</li> <li>Chapter Five: The Stock Market</li> </ul> <p>Article</p> <ul style="list-style-type: none"> <li>Investor Bulletin: Trading Basics</li> </ul>
Lectures	<ul style="list-style-type: none"> <li>How the stock exchange works</li> <li>What it means to buy a company's stock</li> <li>Shorting Stock Part 1</li> <li>Shorting Stock Part 2</li> <li>Top 3 mistakes that cause traders to fail</li> </ul>
Multimedia	Basics of APA Style tutorial
Discussion	<b>Building an Investment Portfolio</b>
Progress Monitor	Refer to your course
Assignment 1	<b>Textbook assignment</b>
Assignment 2	<b>Investment policy statement</b>

Week 2 Market Efficiency and Investor Behavior	
Outcomes	<ul style="list-style-type: none"> <li>Critically evaluate the implications of the three forms of market efficiency.</li> <li>Assess market efficiency as it relates to the performance of professional money managers</li> </ul>

	<ul style="list-style-type: none"> <li>• Determine the impact of stock market anomalies, bubbles, and crashes on market efficiency.</li> <li>• Critically evaluate the conceptual aspects of Behavioral Finance.</li> <li>• Apply the various methods of technical analysis</li> </ul>
Readings	<ul style="list-style-type: none"> <li>• Chapter Seven: Stock Price Behavior and Market Efficiency</li> <li>• Chapter Eight: Behavioral Finance and the Psychology of Investing</li> </ul>
Lectures	<p>How efficient are markets really?</p> <p>Behavioural finance explained</p> <p>Behavioral finance for investors</p> <ul style="list-style-type: none"> <li>• Investor Psychology</li> <li>• Your mind and your money</li> <li>• Investor overconfidence</li> </ul>
Progress Monitor	Complete this week's Progress Monitor to measure your understanding of this week's material.
Discussion	<b>Stock market anomalies, bubbles, and crashes</b>
Assignments	<b>Establish your portfolio and begin trading in the Virtual Stock Exchange</b>
Virtual Stock Trader	Five trades

<b>Week 3</b> Risk, Return & Diversification	
Outcomes	<ul style="list-style-type: none"> <li>• Calculate expected returns and variances for individual securities and an investment portfolio.</li> <li>• Critically evaluate the importance of portfolio diversification</li> <li>• Distinguish between expected and unexpected returns</li> <li>• Distinguish between systematic and unsystematic risk</li> <li>• Utilize the Security Market Line (SML) and the Capital Asset Pricing Model (CAPM)</li> <li>• Critically evaluate the importance of beta for both an individual security and a portfolio</li> </ul>

Readings	Chapter 11: Diversification and Risky Asset Allocation Chapter 12: Return, Risk, and the Security Market Line
Lectures	Risk and reward Capital Asset Pricing Model (CAPM)
Progress Monitor	Refer to your course
Discussion	<b>Asset Allocation</b>
Assignments	<b>Textbook assignment</b>
Virtual Stock Trader	Five trades
Quiz	Refer to your course

<b>Week 4 Bonds</b>	
Outcomes	Demonstrate an understanding of the key features of bonds and apply that knowledge to pricing. Calculate bond current yield Calculate bond yield to call Calculate bond yield to maturity
Readings	Chapter 9: Interest Rates Chapter 10: Bond Prices and Yields
Lectures	<ul style="list-style-type: none"> <li>• Introduction to bonds</li> </ul> Bonds vs stocks
Progress Monitor	Refer to your course
Discussion	Interest Rate Impact
Assignments	Textbook assignment
Virtual Stock Trader	Five trades
Quiz	Refer to your course

<b>Week 5 Corporate and Government Bonds</b>	
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Outcomes	<p>Evaluate the basic types of corporate bonds</p> <p>Demonstrate an understanding of how callable bonds function</p> <p>Demonstrate an understanding of the basics of bond ratings</p> <ul style="list-style-type: none"> <li>Critically evaluate the basics of U.S. Treasury securities and how they are sold</li> </ul>
Readings	<ul style="list-style-type: none"> <li>Chapter 18: Corporate Bonds</li> <li>Chapter 19: Government Bonds</li> </ul>
Lectures	<p>Treasury bonds and yields</p> <p>The yield curve</p>
Progress Monitor	Refer to your course
Discussion	<b>AAA to AA</b>
Virtual Stock Trader	Five trades
Quiz	Refer to your course

<b>Week 6      Mutual Funds &amp; Exchange Traded Funds</b>	
Outcomes	<ul style="list-style-type: none"> <li>Identify the different types of mutual funds</li> <li>Demonstrate an understanding of the workings of mutual funds, exchange-traded funds, and hedge funds.</li> </ul>
Readings	<ul style="list-style-type: none"> <li>Chapter Four: Mutual Funds</li> </ul>
Lectures	<ul style="list-style-type: none"> <li>What is an exchange traded fund?</li> <li>What are ETFs and what are their advantages?</li> <li>What are 4 reasons to invest in ETFs?</li> <li>What are ILeveraged ETFs?</li> </ul>
Progress Monitor	Refer to your course
Discussion	<b>Exchange Traded Funds (ETFs).</b>
Virtual Stock Trader	Five trades
<b>Week 7      Financial Options</b>	

Outcomes	Identify the basics of financial option contracts Demonstrate an understanding of basic financial option strategies
Readings	<ul style="list-style-type: none"> <li>Chapter 15: Stock Options</li> </ul>
Lectures	<ul style="list-style-type: none"> <li>Call option basics</li> <li>American Call Options</li> <li>What is a put option?</li> <li>American put options</li> <li>Long straddle</li> <li>Bull call spread</li> </ul>
Progress Monitor	Refer to your course
Discussion	<b>Behavioral finance</b>
Assignments	<b>Textbook assignment</b>
Virtual Stock Trader	Five trades this week
Quiz	Refer to your course

<b>Week 8</b>	<b>Performance Evaluation</b>
Outcomes	<ul style="list-style-type: none"> <li>Critically evaluate the Sharpe Ratio</li> <li>Critically evaluate the Treynor Ratio</li> <li>Critically evaluate Jensen's Alpha</li> </ul>
Readings	<ul style="list-style-type: none"> <li>Chapter 13: Performance Evaluation and Risk Management</li> </ul>
Lectures	<ul style="list-style-type: none"> <li>Sharpe, Treynor, &amp; Jensen, Part One</li> <li>Sharpe, Treynor, &amp; Jensen, Part Two</li> </ul>
Progress Monitor	Refer to your course
Discussion	<b>Performance Measures</b>
Assignments	<b>Final paper</b>
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
Discussions	20%
Investment Policy Statement	5%
Assignments	20%
Term Paper	20%
Trading Simulation Participation	10%
Quizzes	25%
<b>Total</b>	<b>100%</b>

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.

The final course grading criteria is described in the table below:

## 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>