INVESTMENTS SYLLABUS

COURSE NUMBER: MBA720  
COURSE TITLE: Investments  
CREDITS: 3 credits  
PREREQUISITES/COREQUISITES: None  
FOR WHOM PLANNED: This course is an elective class for MBA students.

INSTRUCTOR INFORMATION:

Instructor: Dr. Dayong Huang  
Room: 338 Bryan  
Phone: 336-256-0124  
Email: d_huang@uncg.edu  
Office Hours: Tuesday 3:30-5:00 p.m. and Thursday 12:30-2:00 or by appointment

CATALOG DESCRIPTION:

We will explore theories and applications related to modern portfolio theory, asset allocation, asset pricing, stock return predictability and financial market anomalies, fixed income pricing, and security analysis.

STUDENT LEARNING OUTCOMES

Upon successful completion of this course students will be able to:

1) Create portfolios that maximize portfolio expected returns for given portfolio volatilities.  
2) Analyze the development in asset pricing theories for asset allocation.  
3) Assess the evidences on whether stock returns are predictable.  
4) Assess anomalies in the stock market and evaluate if these anomalies are explained by risk or by behavioral based models.  
5) Analyze the general macro-economic environment for portfolio management.  
6) Assess stock’s fair value using various pricing models.

REQUIRED TEXTS/READINGS/REFERENCES:

Recommended Readings:


**EVALUATION AND GRADING:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Trading Simulation</td>
<td>10%</td>
</tr>
<tr>
<td>Industry Analysis Presentation</td>
<td>10%</td>
</tr>
<tr>
<td>Class Participation and Discussion</td>
<td>10%</td>
</tr>
<tr>
<td>Homework Assignments</td>
<td>10%</td>
</tr>
<tr>
<td>Exam1:</td>
<td>20% (09/20/2016)</td>
</tr>
<tr>
<td>Exam2:</td>
<td>20% (10/25/2016)</td>
</tr>
<tr>
<td>Final:</td>
<td>20% (Tuesday 12/13/2016, 7-10 p.m.)</td>
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**Grading Scale will be as follows:**

- 98%-100% = A+
- 92%-97.9% = A
- 90%-91.9% = A-
- 88%-89.9% = B+
- 82%-87.9% = B
- 80%-81.9% = B-
- 78%-79.9% = C+
- 72%-77.9% = C
- 70%-71.9% = C-
- 68%-69.9% = D+
- 62%-67.9% = D
- 60%-61.9% = D-
- Below 60% = F

The simulation requires you to trade stocks in investopedia. Minimum numbers of trades are 2 trades per week. It is graded based upon the number of trades, effort, and performances. We use investopedia.com for simulation. You need to submit your trading history twice, one is due on 10/11/2016 and the other is due on 11/22/2016. Each team can have three students. Fill out the
following template for 10 of your trades. I need your summary trading history printed out from the investopedia.

<table>
<thead>
<tr>
<th>Price</th>
<th>PE</th>
<th>ROA</th>
<th>ROE</th>
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</table>

Paste MACD and stochastic figure here (from Yahoo Finance) I need to see 50 and 200 day exponential moving average, MACD, slow stochastics, etc, use 1-year chart.

Other Comments (Important) Fill this out

*Industry Analysis.* I will assign some firms for you to study. You should analyze its industry and its’ main competitor in detail.

a), Describe what they do.

b), Calculate their fair prices (using FCF models we cover in the class). Also consider PE approach.

c), Discuss their financial ratios, over the years and compare with competitors.

d), Discuss the general macro economy and the trends in your industry, and most importantly, the firms’ competitiveness.

Each presentation is about 30 minutes and we will use the 11/22/2016 class for this presentation. You need to prepare powerpoint slides for your presentation. Please Email me your slides and turn in a hardcopy on the day you present. Grading of project is based on the depth of your study and the clarity of your presentation.

*Homeworks.* Each student submit his/her own solutions.

Exam 1 and 2 are 75 minutes long. Final exam in 120 minutes long. All exams consist of both multiple choices questions and problems

Final is cumulative. Date: Tuesday, December 13 7:00–10:00 p.m.

*Class participation and discussion:* It is based on the quality of your discussion.
TOPICAL OUTLINE/CALENDAR:

Topic 1  Macroeconomics and Industry Analysis Ch 17
Topic 2  Financial Statement Analysis Ch19
         Equity Valuation Models Ch18
Topic 3  Bonds (Ch 16)
Topic 4  Risk Aversion Ch6
         Allocation of Funds between Risk Free Assets and Risky Assets
Topic 5  Allocation of Funds among Risky Stocks Ch7
Topic 6  Stock Return Predictability (John Campbell)
Topic 7  The CAPM and the Multi-factor Asset Pricing Models (CH12)
Topic 8  Stock Return Anomalies, EMH and Behavioral Finance (Ch 11 & 12)

ACADEMIC INTEGRITY POLICY: Students are responsible for becoming familiar with the Academic Integrity Policy in all its aspects and for indicating their knowledge and acceptance of the Policy by signing the Academic Integrity pledge on all major work submitted for the course. Specific information on the Academic Integrity Policy may be found on the UNCG web site at http://academicintegrity.uncg.edu

ATTENDANCE POLICY: You are expected to attend all classes and participate in discussions. While it is understood that graduate students have busy schedules that include business conflicts, please exercise good judgment in missing class only when necessary. Your final grade in this course is based upon your value in course discussions – it is impossible to add value when you are absent from the discussions. As to individual assignments understand that assignments will be accepted early, but no assignment will be accepted late except under the terms noted in the syllabus.

ADDITIONAL REQUIREMENTS:

The Bryan School faculty has approved a set of guidelines for the conduct of classes. They can be found at:

http://www.uncg.edu/bae/faculty_student_guidelines_sp07.pdf