INVESTMENTS FIN442 SYLLABUS

COURSE NUMBER: FIN442
COURSE TITLE: Investments
CREDITS: 3 credits
PREREQUISITES/COREQUISITES: N/A

INSTRUCTOR INFORMATION:

Instructor: Dr. Dayong Huang
Room: 338 Bryan
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Office Hours: T 3:30-4:45 and Thursday 1:30-1:45 by appointment

CATALOG DESCRIPTION:

This course explores theories and applications related to portfolio theory, asset allocation, asset pricing, stock return predictability and 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) Discuss 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) Discuss the general macro-economic environment for portfolio management.
6) Create an optimal bond portfolio considering bond pricing, interest rate risk and convexity.
7) Asses stock's value using various pricing models.

REQUIRED TEXTS/READINGS/REFERENCES:

Text: Bodie, Kane and Marcus, 2013, "Investments", 10th edition, McGraw-Hill, ISBN13: 9780077861674

EVALUATION AND GRADING:

Simulation: 8%

Homeworks: 14%

Industry Presentation: 8%

Paper or Idea Presentation: 8%

Class Participation and Discussion: 8%

Exam 1:   18% (02/13/2018, Tuesday)

Exam 2:   18% (03/27/2018, Tuesday)

Final Exam: 18% (05/01/2018, 7:00-10:00 p.m.)

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 www.investopedia.com.
   1) Minimum numbers of trades are 2 trades per week. If you buy a stock, it is 1 trade, then
      you sell the same stock, it is another trade.
   2) It is graded based upon the number of trades, effort, and performances. We use
      investopedia.com for simulation.
   3) Print out the summary page of your trading history from investopedia.
   4) You need to submit your trading twice. The dates are: 02/27/2018 and 04/10/2018. Each
      team can have up to eight students.
   5) Fill out the following table for at least 10 of your trades. You may want to redo this table.

Price	
PE	
ROA	
ROE	
Paste MACD and stochastic figure here (from	I need to see 50 and 200 day exponential

Yahoo Finance)	moving average, MACD, slow stochastics, etc
Other Comments (Important)	Filled this out For example, this stock is going down because it is from emerging markets, it has several pending lawsuits, its product is outdated, its CEO is selling its stock, etc.

Group project should have 8 to 10 students in each team. You should analyze an industry and study a leading firm in your industry in detail.

1) Describe what they do,
2) Calculate their fair prices using simple PE ratio analysis, or Price/Sales ratios.
3) Discuss their financial ratios relative, such as the ROA, ROE, GP, Net Profit Margin, Current Ratio, Debt Ratio, BM ratio, to their past and their competitors. These data are available from Mergent database from UNCG library online.
4) Discuss the general macro economy and the trends in your industry.
5) Show me the competiveness and weakness of the firm. Be specific and concise.
6) Be creative…
7) Summarize why you think your firms are good or bad and come up with trading recommendations.
8) Each presentation is about 20 minutes. Grading of project is based on the depth of your study and the clarity of your presentation.
9) The project should be finished by 04/10/2018 and be ready for presentations on that day. Submit your report as well as presentation slides, in both electronic format via email and hardcopy version.

Homework Assignments
1. This is by each individual or a group of two students. You submit your own answers.
2. CICLE your key numbers in your solutions.
3. Plagiarism is heavily penalized. You receive fail for the course.
4. Late homework is not accepted.

Paper or Idea Presentation

Each team should have around 8 students. I shall assign you some papers or ideas for you to study and you need to present your findings to the class with PPT slides. On the other hand, you can present your own research findings. You have 20 minutes. You are graded upon clarity and depth of the presentation.

The plan is to have one presentations in each lecture starting from March.

Class participation

It is based on the quality of your comments. Of course, there will be no grades if there are no comments.

TOPICAL OUTLINE/CALENDAR:

Topic 1	Macroeconomics and Industry Analysis Ch 17
Topic 2	Financial Statement Analysis Ch19
	Equity Valuation Models Ch18
Topic 3	Risk Aversion Ch6
	Allocation of Funds between Risk Free Assets and Risky Assets
Topic 4	Allocation of Funds among Risky Stocks Ch7
Topic 5	The index models and the CAPM Ch8 and 9
Topic 6	Multi-factor Asset Pricing Models Ch10
Topic 7	Stock Return Anomalies, EMH and Behavioral Finance (Ch 11 & 12)
Topic 8	Term Structure of Interest Rates
	Managing Bond Portfolios (Ch 14-16)
Topic 9	Presentations

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. Missing classes will lead to lower grades or fail.

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