

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
Joseph M. Bryan School of Business and Economics
The MBA Program

Course Number: MBA 720

Course Title: Investments

Course Credits: 3

Pre-requisites and Co-requisites: None

Semester: Fall 2022

Faculty Member/Instructor Information: Dayong Huang

Contact Information: D_huang@uncg.edu,
Bryan Room 338

Meeting Place and Time: Online

Office hours: <https://uncg.zoom.us/j/5093266695>.

Tuesday 1:00 to 2:00 or by appointment via Zoom. Please email first to confirm with my personal zoom.

Graduate Assistant: Miss Wuxian Mou,
w_mou@uncg.edu

MBA Program Learning Goals:

Learning Goal	Learning Objectives
1. Global Issues	1.a Demonstrates an understanding of the effects of economic, political, and cultural factors on business practices
	1.b Adjusts a business model in a global environment based on economic, political, and cultural factors
2. Organizational Sustainability	2.a Demonstrates an understanding of sustainable business factors
	2.b Evaluates sustainable business practices
3. Ethical Leadership and Ethical Behavior	3.a Demonstrates an understanding of ethical business principles and practices
	3.b Examines the ethical leadership and ethical behavior in an organization
4. Organizational Innovation	4.a Demonstrates an understanding of the fundamentals of innovation in relation to products, services, and strategies
	4.b Recommends strategies to manage innovation to enhance the performance
5. Knowledge Integration	5.a Utilizes concepts, frameworks, and/or analytical tools from multiple business disciplines

	5.b Identifies possible strategic solutions and recommends a strategy that integrates concepts from multiple business disciplines
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Impact of this course on Program Learning Goals

SLO1, SLO2, and SLO5

Catalog Description of the Course

This course covers theories and practices related to asset allocation, asset pricing, stock return predictability, stock market anomalies, and fixed income pricing.

Description of the Course

See above

Textbook/Cases/Reading Materials

Text: Bodie, Kane and Marcus, 2017, "Investments", 11th edition, McGraw-Hill, ISBN13: 9781259277177

Lecture slides will be posted in Canvas.

Other materials will be posted in Canvas.

Older or newer edition of the book is acceptable.

Optional ZOOM live sessions

This is optional and used to answer your questions. The session is an hour every two weeks when we need them.

Topic: MBA 720-03: Investments (FA22)

Time: Aug 23, 2022 06:00 PM Eastern Time (US and Canada)

Every 2 weeks on Tue, until Nov 29, 2022, 7 occurrence(s)

Aug 23, 2022 06:00 PM

Sep 6, 2022 06:00 PM

Sep 20, 2022 06:00 PM

Oct 4, 2022 06:00 PM

Oct 18, 2022 06:00 PM

Nov 1, 2022 06:00 PM

Nov 15, 2022 06:00 PM

Please download and import the following iCalendar (.ics) files to your calendar system.

Weekly: https://uncg.zoom.us/meeting/tJ0tcuGsqzpjG9LMEmIha3Hxe--dr-roieAN/ics?icsToken=98tyKuChrj4iHtGUuRiBRox5Ao_4WejwmH5EjfpxsTroKihSMSvuM68PNqAyAtfZ

Join Zoom Meeting

<https://uncg.zoom.us/j/99058451916>

Meeting ID: 990 5845 1916

One tap mobile

+13017158592,,99058451916# US (Washington DC)

+13126266799,,99058451916# US (Chicago)

Dial by your location

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 386 347 5053 US

+1 564 217 2000 US

+1 669 444 9171 US

+1 669 900 9128 US (San Jose)

Meeting ID: 990 5845 1916

Find your local number: <https://uncg.zoom.us/j/99058451916>

Student Learning Outcomes from the course

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) Asses stock's fair value using various pricing models.

Teaching Methods and Assignments for Achieving Learning Outcomes

Online lectures, exams, homework assignments and projects.

Evaluation and Grading

Trading Simulation: 8%, Part 1 due 10/08/2022 and Part 2 due 11/19/2022

Industry Analysis Project: 10%, Part 1 due 10/01/2022 and Part 2 due 11/26/2022

Discussion questions 8%

Homework Assignments: 20%

Exam1: 18% Date 09/17/2022

Exam2: 18% Date 10/22/2022

Final: 18% Date 11/30/2022

The three exams are equal weighted and accounts for 54% of the grade.

Grading Scale will be as follows:

92%-100% = 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

Teams of 3 or 4 students will do simulation and industry analysis. Keep the same team. Always indicate the names of team members so that each of you earns points.

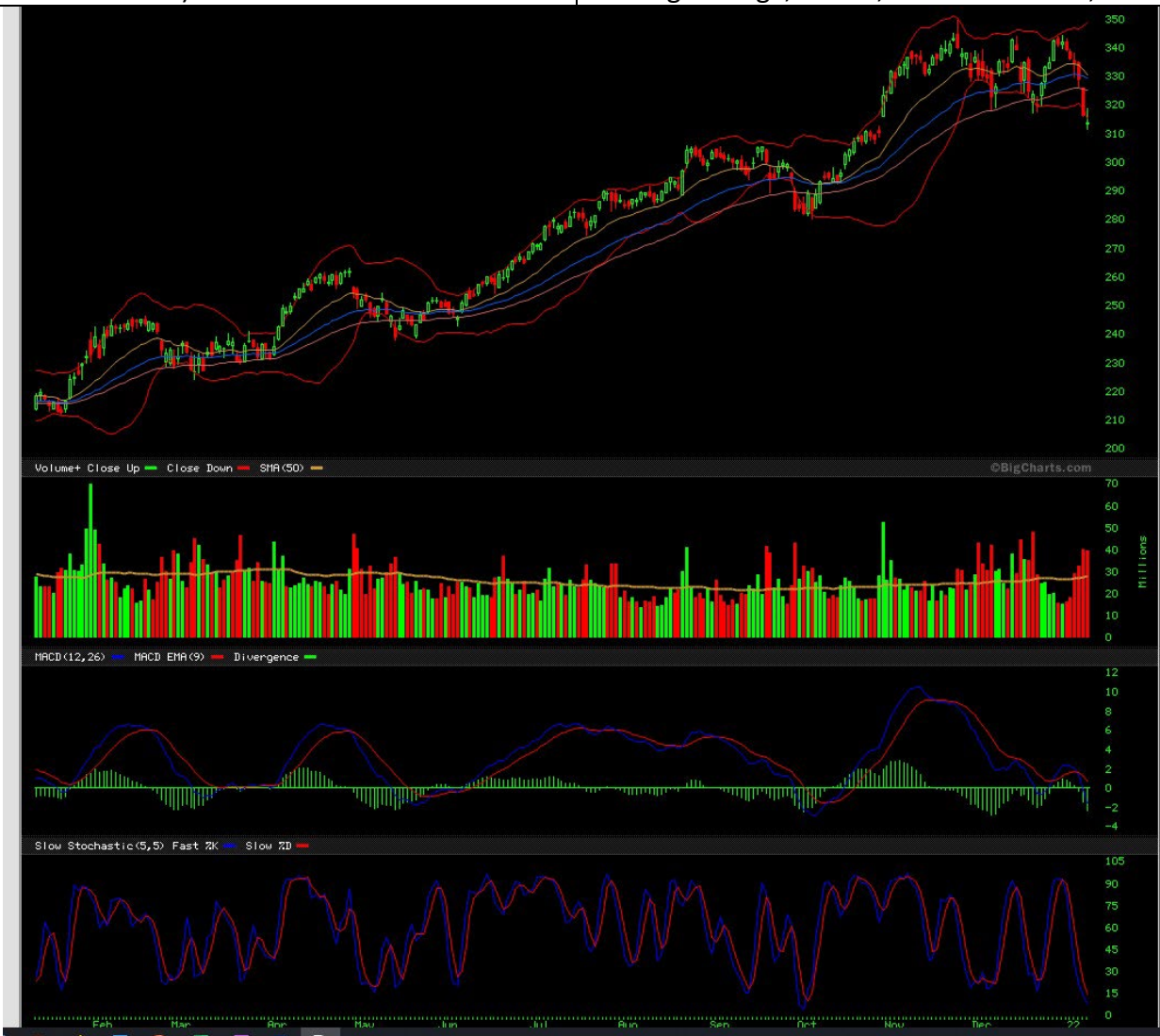
The group simulation requires you to trade stocks in www.investopedia.com.

- 1) If you buy a stock, it is one trade, then you sell the same stock. It is another trade. The minimum numbers of transactions are two trades per week. It is graded based on the number of trades, effort, and performances.
- 2) Print out the summary page of your trading history from investopedia.
- 3) You need to submit your trading record twice. The dates are **10/08/2022** and **11/19/2022**.
- 4) Fill out the following table for at least 5 of your trades for each trading report. You may want to repeat this table. Accounting ratios are available from Yahoo Finance. Once you enter the ticker, go to the statistics page. For instance, the accounting ratios for MSFT is here <https://finance.yahoo.com/quote/MSFT/key-statistics?p=MSFT>
You can get the technical analysis either from bigcharts.com or yahoo finance.
- 5) Each individual submits a group report on the canvas for your grades. The team captain, please email me a copy of the report and copy your team members.

Price	
PE	
ROA	
ROE	
Paste MACD and stochastic figure here (from Yahoo Finance)	I need to see 50 and 200 day exponential moving average, MACD, slow stochastics, etc
Other Comments (Important)	
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. About 200 words for your explanation.	

Here is a sample report for selling short MSFT, expecting its price to decline further or bounce temporarily.

Price	314 as of 01/07/2022
PE	38
ROA	15%
ROE	49%
Paste MACD and stochastic figure here (from Yahoo Finance)	I need to see 50 and 200 day exponential moving average, MACD, slow stochastics, etc



Other Comments (Important)

This is one year chart. MACD cross below 0. It shows a bearish cross-over in mid-November. Its prices break down below 20 days, 40 days, and 60 days moving average recently with above-average trading volume, indicating a bearish trend. But, slow stochastics show it is close to oversold. Fundamental is strong. The world is going Metaverse. Rate hike negatively affects technology stocks. I plan to buy it for a few days expecting a temporary bounce. Otherwise, I shall wait for the bounce and sell short it for a short period. Overall, since its fundamental is so strong, I see no reason to sell short it in the long run. And please be creative..

Each of you shall submit your individual report in Canvas and the “captain” please also email me and the teaching assistant the report.

Group industry projects should also have three or four students in each team. You shall analyze an industry and study a leading firm in your industry in detail.

- 1) Describe what they do.
- 2) Discuss their financial ratios, such as the ROA, ROE, Net Profit Margin, Current Ratio, Debt Ratio, Asset Turnover, relative to their past and competitors. These data are available from Mergent database from UNCG library online or Macrotrend.com.

For instance, at <https://www.macrotrends.net/stocks/charts/MSFT/microsoft/roe>, I can obtain the historical return on equity of MSFT, and that allows me to copy and paste easily. It is straightforward to find most of the other ratios at the same website. Please use the past 10 years and discuss. I used software called SNIP to cut this picture from the website. You can also copy the original numbers and put them together with competitors’ for a bar chart that may look more admirable.



The above two parts are due on **10/01/2022**.

- 3) Calculate their fair prices using simple PE ratio analysis [or Price/Sales ratios], and free cash flow model. It is based on the contents from chapter 18 we will cover.
- 4) Discuss the general macroeconomy and the trends in your industry. Be specific and concise. Please show me the competitiveness and weakness of the firm.
- 5) Come up with trading recommendations.

The entire project consisting of the above five parts is due by **11/26/2022**.

Each of you shall submit your single-spaced three-page report in canvas for your grade. The “captain”, please email me a copy of the report and copy your team members.

Discussion questions will be assigned in canvas. It is individual. When reply, I encourage you to respond thoughtfully and also reply to others’ replies—plan for about five to six discussion questions.

Homework Assignments, not by group.

1. You submit your answers.
2. Plagiarism is heavily penalized. You fail for the course.
3. Late homework is not accepted.
4. They are usually MC questions assigned in Canvas.

TOPICAL OUTLINE/CALENDAR:

1. Allocation of Funds between Risk-Free Assets and Risky Assets. (Ch6)
2. Allocation of Funds among Risky Stocks (Ch7)
3. Technical Analysis (Notes)

Exam 1

4. Fundamental Analysis (Part of Ch19)
5. Index Model and the CAPM (Part of Ch 8 and Ch 9)
6. Hedge Fund Trading, Arbitrage Pricing Theory and the Multi-factor Asset Pricing Models (Ch 10)
7. Stock Return Anomalies and Efficient Market (Ch 11)

Exam 2

8. Behavioral Finance (Ch 12)
9. Macroeconomic and Industry Analysis (Ch 17)
10. Equity Valuation Models (Ch 18)

Exam 3

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.

Final Examination

There will be a final exam. Non-cumulative.

UNCG Academic Integrity Policy

Each student is expected to comply with the UNCG Academic Integrity Policy described at the following web page: <http://academicintegrity.uncg.edu/complete/> and is required to sign the Academic Integrity Policy on all major work submitted for the course.

Faculty and Student Guidelines

Bryan Faculty and students in this course are expected to adhere to the guidelines stated at this link:

<https://bryan.uncg.edu/wp-content/uploads/2017/08/Faculty-and-Student-Guidelines-2018-2019.pdf>

Additional Resources

Lecture notes, videos, codes will be posted in canvas.

About Covid

- Engaging in proper hand-washing hygiene.
- Self-monitoring for symptoms of COVID-19.
- Staying home when ill.
- Complying with directions from health care providers or public health officials to quarantine or isolate if ill or exposed to someone who is ill.
- Completing a self-report when experiencing COVID-19 symptoms, testing positive for COVID-19, or being identified as a close contact of someone who has tested positive.
- Staying informed about the University's policies and announcements via the COVID-19 website.