

**The University of North Carolina at Greensboro**  
Joseph M. Bryan School of Business and Economics  
Accounting and Finance

Fin 442-01: Investments  
Fall 2024  
School of Education  
Room 222

Tuesdays and Thursdays 11:00 to 12:15

**I. Instructor**

James A. Milanese  
Bryan School Room 385  
E-mail: JAMILANE@UNCG.edu

Office Hours: Tuesday and Thursday 9:30 to 11:00 or By Appointment

**II. Course Material**

Zvi Bodie, Alex Kane and Alan J. Marcus; *Investments 13<sup>th</sup> Edition*; McGraw-Hill Irwin; 2024.  
ISBN: 9781264412662

Handouts, supplemental readings and guest speakers.

**Important Requirement:** We will not be using financial calculators in the class. All students are required to have either a laptop computer or tablet with Excel.

**III. Purpose**

The objective of this course is to further the student's understanding of investment principles and practices, investment policies, security analysis, and the mechanics and mathematics of security purchases. Other important aspects include long- and short-term fluctuation of security prices, functions of securities markets and regulatory bodies, and individual investment needs.

## IV. Learning Objectives

Upon successful completion of this course, the student should:

1. Possess a thorough knowledge of available investment products and the risk/return characteristics of each.
2. Understand the investment process and create a portfolio that meets the specific needs of a given investor.
3. Be able to calculate the intrinsic value of equity and fixed income securities and estimate the expected returns of each.
4. Understand the various markets for these securities and the types of transactions that occur in these markets.
5. Conduct the economic, industry and company-specific research necessary to make informed investment decisions.

## V. Final Grade Determination

Exam 1	September 10	20%
Exam 2	October 8	20%
Research Project	November 5	15%
Exam 3	November 14	20%
Cumulative Final Exam	December 10 (noon to 3:00)	25%

Note: **NO** make-up exams will be given. If you miss one or more of the mid-term exams, and can provide documentation of a valid excuse, the weight of those exams will be added to the final exam. If documentation cannot be provided, or the reason the exam is missed is not valid, a grade of zero will be assigned. For the most part, a valid excuse will be defined as illness, a death in the family or legal obligation (such as jury duty).

Your final grade will be based on the following scale:

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

The instructor reserves the right to adjust the student's final grade by a maximum of one-half point. This adjustment will only be made for students with regular class attendance and participation.

## **VI. Topics to be Covered**

Overview of Stock Valuation

Creation of Earnings Models

Chapter 1 The Investment Environment

Chapter 2 Asset Classes and Financial Instruments

Chapter 3 How Securities are Traded

Chapter 5 Risk, Return and the Historical Record

Chapter 6 Capital Allocation to Risky Assets

Chapter 7 Efficient Diversification

Chapter 9 The Capital Asset Pricing Model

Chapter 10 Arbitrage Pricing Theory and Multifactor Models of Risk and Return

Chapter 11 The Efficient Market Hypothesis

Chapter 13 Empirical Evidence on Security Returns

Chapter 14 Bond Prices and Yields

Chapter 15 The Term Structure of Interest Rates

Chapter 16 Managing Bond Portfolios

Chapter 17 Macroeconomic and Industry Analysis

Chapter 18 Equity Valuation Models

Chapter 19 Financial Statement Analysis

Chapter 24 Portfolio Performance Evaluation

Chapter 27 The Theory of Active Portfolio Management

**Important:** All material in the assigned chapters is “fair game” for test questions, even if not covered in class lectures. In addition, unless specifically told otherwise, students are responsible for all lecture material, even if not covered in the text readings.

## **VII. Students Registered with OARS:**

All students requesting special services must go through the Office of Accessibility Resources and Services (OARS). If you are requesting special accommodations, please bring your paperwork from OARS directly to me the first week of class. All such information will be held in confidence. The web link to this office is <http://ods.dept.uncg.edu/services/>.

## **VIII. Student Conduct**

Students are expected to conduct themselves in a professional manner at all times. This means, but is not limited to:

- Arriving for class on time
- Doing absolutely nothing during class that is disruptive or detracts from the learning experience of others
- Remaining in class for its duration

Any student disrupting this class will be asked to leave. If the conduct continues, the instructors reserve the right to drop the student from the class.

For an overview of specific University and Bryan School policies, please see the following links:

<http://studentconduct.uncg.edu/policy/code/>

[www.uncg.edu/bae/faculty\\_student\\_guidelines.pdf](http://www.uncg.edu/bae/faculty_student_guidelines.pdf)

## **IX. Honor Policy**

All graded material for this class is subject to the UNCG Academic Honor Policy. If you are not familiar with this policy, please use the following link:

<http://www.uncg.edu/reg/Policy/HonorPolicy.html>

## **X. Prerequisites**

FIN 315 with a grade of C or better.

## **XI. Student Learning Goals – Finance Program**

Each program within the Bryan school has separate learning goals as listed with the degree program. The Finance program has the following learning goals:

1. Finance students will be able to create forward-looking financial statements
2. Finance students will be able to demonstrate the ability to utilize various financial measures to analyze the overall financial health and operating efficiency of the firm.
3. Finance students will be able to thoroughly understand the mathematic process and application of capital budgeting
4. Finance students will thoroughly understand the concepts of the time value of money (TVM), the characteristics of traditional financial securities, and the valuation of these securities.

### Impact of this Course on the Program Student Learning Goals

Upon successful completion of Investments (FIN 442), students will meet various components of three of the four Student Learning Goals. Specifically, FIN 442 has emphasis on Student Learning Goals #1, #2 and #4

### Specific Assignments and Student Learning Goals:

- Goal #1 – Students are required to develop forward-looking income statements, or earnings models, in order to estimate future EPS. This is done for stock valuation purposes.
- Goal #2 – Students will submit an exercise requiring the calculation of various financial ratios in excel, then analyze the overall financial health of the firm compared to industry norms.
- Goal #4 – A significant amount of class time, and exam questions, will be dedicated to TVM. This will focus on the areas of bond valuation, duration analysis and equity valuation.

## **XI. Lloyd International Honors College Pilot Project**

The Honors College is piloting a program this fall; and it will be a part of this class. This project focuses on three key elements:

1. Professionalization
2. Performance/Play
3. Interdisciplinarity/Integrative Learning

Your level of participation in this program is voluntary. I will be offering a variety of extra credit opportunities throughout the semester that relate to the key elements listed above. You may participate in any, or all, of the opportunities.

More details will follow.