

**FINANCE 486
INVESTMENTS
FALL 2007**

Instructor: Dr. Natalya Delcours
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Office hours: 2 p.m. – 5 p.m. MW, 4 p.m. – 6 p.m. T @ UC, Woodlands
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Course Prerequisites: Finance 367

Text: *Essentials of Investments, 6th Edition by Bodie, Kane, and Marcus*. There is also an accompanying study guide/workbook that is optional, but recommended. I also encourage use of the book website.

Course Description: An in-depth course covering principles, types and forms of investments; diversification theory; modern portfolio theory; securities valuation; types and structure of financial market; monetary and fiscal policy affect on financial markets; fundamental and technical analysis.

Course Objectives:

1. *This course is aimed to develop your financial and analytical skills.*

Classroom assignments will present real-life challenges that confront many financial analysts, financial advisors, and fund managers. The textbook will assist you to understand important financial concepts and their implementations; however, many real life situations may not have a single “correct” solution.

2. *This class will develop you oral communication and written skills.*

The ability to communicate orally and in written form effectively is a key for business success and promotion. Furthermore, employers expect you to be proficient with technology.

3. *Classes will allow you to develop the ability to effectively use your knowledge and skills to understand contemporaneous financial issues and their implications.*

Your written assignments are tailored to sharpen you writing, analytical, and technology utilization proficiency.

Grading: There will be a total of three exams. Each of the exams will consist approximately of 50 multiple-choice, true/false, and discussion questions. **Make-up exams will be given only prior to the scheduled exam provided with the legitimate reason for absence in accordance with the SMSU policy (please see below about observance of religious Holy Days).** You are responsible for knowledge of any announcements made at any time during scheduled class periods, regardless of whether or not you are in attendance. **All class assignments MUST be turned in.** There will be 5 points per day penalty for each late assignment. You can turn in your assignments via email, Blackboard, fax, or in class.

To assist you with the class material, there will be several quizzes, with each quiz consisting of several short-answer/problem questions. There will be no make-ups for missed quizzes. ***Please, keep up with the class deadlines and announcements via Sam Houston email and Blackboard.*** While a financial calculator is not required for the class, you are encouraged to use one. **A Hewlett Packard 10BII is recommended (other calculators are acceptable; however, in all cases you are responsible for learning how to work your calculator).** The material in class will be presented using the mathematical formulas and financial calculator. In general, the following grading schedule will apply:

100% - 90%	=	A	Exam #1	=	25%
89% - 80%	=	B	Exam #2	=	25%
79% - 70%	=	C	Exam #3	=	25%
69% - 60%	=	D	Quizzes/homework/	=	25%
under 59%	=	F	Internet/BW Assignments		

Attendance: All students are expected to attend class regularly and punctually. **Student attendance will be taken each class meeting.** You are allowed three unexcused absences (except test dates) per semester. **Absences totaling eight hours or more will result in a grade of “F” for the course. No late arrivals. Four late arrivals will be treated like one hour’s absence and will be included in determining total number of missed hours. Personal use of cell phones during class is prohibited.** Using computers during class for any purpose other than the assigned task or for taking lecture notes will cost 5 course points for each misuse. Classroom is **your** corporate office. Business-like behavior is required and appreciated. Excused absences are listed in the University Bulletin. **Any and all misconducts will be handled according to the procedures presented in the Bulletin.**

Study: You are **expected** to study from one to two hours outside of class for each hour in class. Reading chapters ahead of the lecture and reviewing your notes immediately after class will greatly enhance your learning of the material. The textbook and class notes are complements. The homework may be collected for grading and it will be impossible to pass the class without a thorough understanding of it. If you have any trouble with any aspects of the course work, I will maintain office hours, which are listed above. To see me outside office hours you must make an appointment. **Drop-in visits are welcomed.** All changes in the course schedule will be announced in advance. Test dates will be announced at least a week in advance.

Technology requirements: Every student enrolled in Finance 486 **MUST** have working SHSU email account and check it **at least three times** a week. I will use SHSU email to communicate with you. Every student **MUST** be proficient in MS Office and the Internet. All written assignments **MUST** be typed in MS Word, single spaced, 12 pts Times New Roman font.

Students with Disabilities: If you have a specific disability that qualifies you for academic accommodations, please notify me (the instructor/professor) and provide certification from Disability Services (Office of Services for Students with Disabilities). **I will be able to accommodate you only after I receive letter from the Office of Services for Students with Disabilities.** The Office of Services for Students with Disabilities is located in the Counseling Center. **All disclosures of disabilities are kept strictly confidential.**

Students Absence on Religious Holy Days: Students are allowed to miss class/other activities for the observance of a Religious Holy Day, including travel for that purpose. Students remain responsible for class announcements and assignments. University policy #861001 outlines the procedure to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor a written statement concerning the absence. This request must be made within the first fifteen days of the semester/ the first seven days of a summer session in which the absence(s) will take place. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or tests, quizzes are to be completed.

TENTATIVE SCHEDULE

<u>Subject</u>	<u>Chapter</u>	<u>Homework problems</u>
Investment Environment: Background	1	BW assignment #1
Financial securities	2	#1, 2, 10, 11
Securities markets	3	BW assignment #2; #1, 20 through 22
Mutual Funds and Other Investments		
Companies, Mutual Fund abuses	4	BW assignment #3; #4, 6, 13
Investors and Investment Process	21	Assignment
Test #1	<i>Chapters 1 through 4, 21</i>	
Risk and Return	5	1 through 5, 18
Efficient Diversification	6	1, handout assignment
CAPM and APT	7	1 through 7, 16
Market Efficiency	8	
Test #2	<i>Chapters 5 through 8</i>	
Bond Prices	9	#1, 2, 10, 33, 34
Fixed-Income Portfolio Management	10	
Macroeconomic and Industry Environment	11	BW assignment #4
Equity Valuation, Corporate Governance	12	#1, 2, 3
Financial Statement Analysis	13	#4, 7, 9, 10
Technical Analysis	19	BW assignment #5
Performance Evaluation	17	
Test #3	<i>Chapters 9 through 13, 19, 17</i>	