

Syllabus for Course Reference # 13370 & 11112 in Spring 2020
FIN 3504 – Principles of Investments

General Course Information

Course Title Principles of Investments

Description An introduction to investments and securities analysis. Includes an examination of investment instruments, the investment environment, the concepts of risk-return, and the interactive forces between the economy, industries, and individual firms.

College Business
Department Economics & Finance
Subject Area FIN-Finance
Course Number FIN 3504
Credit Hours 3

Meeting Info: January 6, 2020 – April 27, 2020
11112: M W F 8:30-9:20am in LH 2202
13370: M W F 9:30-10:20am in LH 2202

Prerequisites FIN 3403 with a minimum grade of B and (QMB 3200 with a minimum grade of C or ECO 3410 with a minimum grade of C)

Distance Learning/Off Campus Course Information

No, it is an on-campus course.

Instructors' Information

Instructor: Dr. Travis Jones
E-Mail: tljones@fgcu.edu
Phone: 239-590-7167
Office: LH 2305
Office Hours: Monday: 3:30-4:30pm & 7:15-8:15pm,
Wednesday & Friday: 10:30am-12:00pm, or by appointment

If you plan to come by office hours (especially from off campus), please send an email to ensure availability (i.e. that I am not meeting with another student, etc.).

Teaching Philosophy:

To get the full benefit of the course and earn a good grade, it will be necessary to come to class prepared to participate by studying all assigned material beforehand. I will guide you through the material, providing assistance where needed. However, it is your responsibility to prepare for class and master the material. This is a challenging course that provides the foundation for much of what you will learn in the finance curriculum at FGCU. The time that you invest here will pay significant dividends for you during your academic and professional career.

To assist you in focusing, the use of cell phones and/or any other electronic communication is prohibited in class. It is your job to learn; it is my job to help you to learn.

As a member of this class, you are expected to show respect for all people. Such respect specifically precludes any type of harassment, inappropriate comments, or conduct that might create a hostile environment. We expect the climate in classrooms to be professional at all times and encourage you to do your part. Should you have concerns, please address them with your instructor or with the department chair, Prof. Weeks.

Course Materials

Required:

TEXTBOOK:

Investment Planning, 2nd edition, by Dalton & Forjan

CALCULATOR: Texas Instruments BAII Plus or BAII Plus Professional

TESTING MATERIALS:

- Three (3) Pearson NCS Test Sheets 100/100, Form No. 95679
- Three (3) examination booklets available at the bookstore

CANVAS

I recommend that you stay current with financial news by reading some financial news source (Bloomberg, Wall Street Journal, Barons, Financial Times, CNBC.com, finance.yahoo.com, etc.) several times per week.

Course Policies and Agenda:

Attendance: You should attend all class sessions, and be prepared to participate with comments and questions on the material to be covered. If you must miss a session, you should obtain notes from a classmate; I will not be able to individually teach the session again. You are responsible for knowing all material covered in class; that includes new material, assignments, quizzes, guest speakers, exams, and changes to the syllabus. Although attendance is not taken formally, habitual absences have an adverse impact on your performance in the course.

Quizzes/HW: Quizzes/HW will cover current material. Quizzes/HW may be administered online, in-class, or both. Missed quizzes/HW cannot be made up and will count as “0”, in accordance with department policy. Online activities may be administered within a specified time window. Deadlines for assignments will be posted to Canvas. It is the students’ responsibility to ensure access to the internet. In class quizzes will be administered using exam booklets.

Writing Assignments: Students will be required to write executive summaries and/or short-answers to demonstrate their knowledge of investment analysis (once posted, see Canvas for more instructions). This (these) assignment(s) may involve the use of Microsoft Excel. Students will be graded on the organization and presentation of their work and results, grammar and syntax in their written analysis summaries, and their ability to write to a business audience. Failure to submit an assignment by the deadline will count as a “0”, in accordance with department policy.

Exams: Exams cover content drawn from the assigned readings, in-class discussions, assigned homework, quizzes, and other assignments. Concepts carry over throughout the course. The Final exam is comprehensive. Class attendance is mandatory for the exam dates. It is the STUDENT's responsibility to notify the instructor prior to missing a scheduled exam period. Missing an exam for ANY reason will result in the weight of that missed exam being added to the final exam. You may miss ONE exam, but not both. Failure to appear for the final exam without prior approval from the instructor will result in a grade of zero. The final will be administered during the time scheduled by the university for this course, as posted on Gulfline. You must bring Scantron forms to exams 1 & 2 and the final; the instructor will not have these at exams. These are available at the FGCU Bookstore.

A cell phone or any other form of technology capable of capturing or displaying audio/video/photos that is not stored away while a quiz or exam is being administered will result in the student receiving a grade of 0 for that quiz or exam.

The **Course Grade** will be determined as follows:

Quizzes/HW	20%
Writing Assignment.....	10%
Exam 1	20%
Exam 2.....	20%
Comprehensive Final Exam	30%

A = 90% or better
 B = 80 - 89%
 C = 70 - 79%
 D = 60 - 69%
 F = less than 60%

DO NOT ANTICIPATE ANY SCALING
 OF GRADES!
 THERE WILL BE NO EXTRA CREDIT
 WORK!

Students are *not allowed to audiotape, videotape, or photograph class lectures or materials* – with the exception of any student that has a documented disability and the OAS determines the best reasonable accommodation for the student is to allow them to audiotape or videotape class lectures. If a student would like a copy of class materials, he/she can ask the instructor to post this to CANVAS.

Honors credit: Students wishing to earn Honors credit in this course will successfully complete the following activities:

- Investments update project - There have been a number of significant changes in the area of investments since 2008. These include changes to: regulations/laws, fee structures, investment products/securities, securities exchanges, among other things. Honors credit students are to write a 5-8 page report on their area of change in the investments field as well as present their findings to the class during the last weeks of the semester. Due dates are TBD and will be specified in a more detailed assignment instructions sheet.

Learning Objectives

Characteristics, uses and taxation of investment vehicles

- a. Describe and compare the characteristics, including risk and return, of all asset classes including cash-equivalent securities, individual bonds and stocks, real estate, other tangible assets, all pooled asset categories, and derivatives.
- b. Select the appropriate use for each asset class and investment vehicle based upon its risk/return characteristics and expected cash flows.
- c. Advise clients on the tax implications of holding and disposing of each security type or asset class.

Types of investment risk

- a. Identify, measure, and differentiate between types of investments risks including systematic, unsystematic risk, interest-rate risk, liquidity risk, credit risk, inflation risk, operating and financial risk, reinvestment-rate risk, exchange-rate risk, and political risk in a client's portfolio.
- b. Explain the impact of low-probability economic events on clients' welfare.

Quantitative investment concepts

- a. Calculate and interpret statistical measures such as mean, standard deviation, z-statistic, correlation, and r^2 and interpret the meaning of skewness, and kurtosis.
- b. Estimate the expected risk and return using the Capital Asset Pricing Model for securities and portfolios.
- c. Calculate Modern Portfolio Theory statistics in the assessment of securities and portfolios.
- d. Explain the use of return distributions in portfolio structuring.
- e. Identify the pros and cons of, and apply advanced analytic techniques such as forecasting, simulation, sensitivity analysis and stochastic modeling.

Measures of investment returns

- a. Identify, measure, and interpret investment returns including after-tax, holding period return, effective annual rate, annual percentage rate, time- and dollar weighted returns, geometric and arithmetic returns.
- b. Calculate and interpret risk-adjusted performance measures such as the Sharpe, Jensen, and Treynor ratios.

Asset allocation and portfolio diversification

- a. Construct an optimal client portfolio by the allocation of wealth amongst risky assets and the risk free security.
- b. Develop and communicate to a client a portfolio rebalancing strategy.
- c. Recommend an asset allocation strategy consistent with a client's risk tolerance.

Bond and stock valuation concepts

- a. Value a bond using discounted cash flow and explain how interest rates affect bond values.
- b. Estimate the value of a stock using discounted cash flow, the CAPM, and price multiples.
- c. Differentiate between fundamental and technical analysis.

Portfolio development and analysis

- a. Assist a client in identifying his/her investment objectives, time horizons, and risk tolerances.
- b. Select an appropriate benchmark for assessing the value of portfolio management services.
- c. Develop and communicate an appropriate Investment Policy Statement (IPS) for a client.
- d. Apply duration and convexity in construction of fixed income portfolios.
- e. Construct a tax-efficient diversified portfolio meeting the goals, risk preferences and time horizon of a client.
- f. Measure and communicate a client's portfolio performance using different risk and return measures.

Investment strategies

- a. Explain and apply investment strategies such as buy-and-hold, immunization, core and satellite, passive (indexed) and active management techniques such as tactical allocation, market timing, and sector rotation.
- b. Evaluate the use options and futures for investment risk management purposes.

Alternative investments

- a. Define and describe what qualifies as an alternative investment.
 - i. Explain asset class and describe the basic differences between the traditional asset classes and alternative asset classes
 - ii. Explain the primary rationale and uses for alternative asset classes
 - iii. Explain the primary differences between traditional investment strategies and alternative investment strategies including the potential advantages and disadvantages of utilizing alternative investment strategies
 - iv. Explain how the incorporation of alternatives asset classes in a traditional asset portfolio structure can potentially improve both absolute and risk-adjusted portfolio returns



This Scholarly-Enriched Course has been designed to teach specific course content, which will include the production of scholarly work that utilizes writing, critical thinking, and information literacy.

Tentative Course Schedule *(This schedule is subject to change.)*

Week of:	
Jan. 06	Landscape & Investment Planning: Chs. 1-2, 18
Jan. 13	Risk & Return: Ch. 3
Jan. 20	(1/20: no class) Ch. 3 cont., Portfolio Theory: Ch. 4
Jan. 27	Portfolio Theory: Ch. 4
Feb. 03	Asset Allocation: Ch. 5
Feb. 10	Review & Exam 1 (2/12)
Feb. 17	Behavioral Finance: Ch. 6
Feb. 24	Fixed Income: Ch. 7
Mar. 02	<i>Spring Break</i>
Mar. 09	Fixed Income Analysis: Ch. 8
Mar. 16	Review & Exam 2 (3/18)
Mar. 23	Equities: Ch. 9 (3/27: <i>Last Day to drop w/o penalty</i>)
Mar. 30	Equities Analysis & Valuation: Chs. 10 & 11
Apr. 06	Mutual Funds: Ch. 12 (Ch. 13?)
Apr. 13	Options: Ch. 15
Apr. 20	Taxes: Ch. 17
Apr. 27	4/27 only: review and wrap up
11112: Apr. 29, 7:30-9:45am	}COMPREHENSIVE FINAL EXAM
13370: May 2, 7:30-9:45am	

University Statements

Academic Dishonesty/Cheating Policy:

All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under the Student Code of Conduct and Policies and Procedures sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Student Guidebook is available online at <http://studentservices.fgcu.edu/judicialaffairs/new.html>.

University Nondiscrimination Statement:

Florida Gulf Coast University is committed to ensuring equity and fairness for all University employees, students, visitors, vendors, contractors and other third parties. As such, the University prohibits discrimination on the bases of race, color, national origin, ethnicity, religion, age, disability, sex (including sexual harassment/assault), gender identity/expression, marital status, sexual orientation, veteran status or genetic predisposition with regard to admissions, employment, programs or other activities operated by the University. This prohibition extends to enforcement of Title IX of the Education Amendments of 1972. Questions or complaints should be directed to the Office of Institutional Equity and Compliance (OIEC). The OIEC's phone number is (239)745-4366; the OIEC email address is OIEC@fgcu.edu.

Disability Accommodations Services:

Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university's guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a disability, please see me or contact the Office of Adaptive Services. The Office of Adaptive Services is located in the Wellness Building. The phone number is 239-590-7956 or Video Phone (VP) 239-243-9453. In addition to classroom and campus accommodations, individuals with disabilities are encouraged to create their personal emergency evacuation plan and FGCU is committed to providing information on emergency notification procedures. You can find information on the emergency exits and Areas of Rescue Assistance for each building, as well as other emergency preparedness materials on the Environmental Health and Safety and University Police Department websites. If you will need assistance in the event of an emergency due to a disability, please contact Adaptive Services for available services and information.

Student Observance of Religious Holidays:

All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith. Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.

Video and Audio Taping of Class Lectures:

Students are not allowed to audio tape or video tape class lectures, unless the student has a documented and disclosed disability and OAS determines that audio or video taping class lectures is the best reasonable accommodation.

Applicable University Resources:

1. FGCU Catalog: <http://www.fgcu.edu/catalog/>
2. FGCU Student Guide Book: <http://studentservices.fgcu.edu/JudicialAffairs/>
3. FGCU Code of Conduct: <http://studentservices.fgcu.edu/JudicialAffairs/>

4. Information on General Education program requirements is available online at: http://www.fgcu.edu/General_Education/index.html
5. Information on integrating service-learning into the course is available online at: <http://www.fgcu.edu/Connect/>
6. Information on distance learning courses is available online at: <http://itech.fgcu.edu/distance/>
7. Information on online tutorials to assist students is available online at: <http://www.fgcu.edu/support/Approved>
8. Information on Canvas is available online at <http://canvas.fgcu.edu/> and <https://fgcu.instructure.com/courses/7692>

Library Resources:

- Main page: <http://library.fgcu.edu/>
- Tutorials & Handouts: <http://library.fgcu.edu/RSD/Instruction/tutorials.htm>
- Research Guides: <http://fgcu.libguides.com/>
- Faculty Support: http://library.fgcu.edu/faculty_index.html
- Contact Us: <http://library.fgcu.edu/LBS/about/contactus.htm>

Center for Academic Achievement:

The Center for Academic Achievement (CAA) provides academic support services to all FGCU students. Students can take advantage of our free peer tutoring and Supplemental Instruction sessions for lower-level math and science courses, as well as workshops to facilitate the development of skills necessary for college success. If you would like to participate in any of our programs, learn about tutoring services, or meet with an Academic Retention Coordinator, please visit the CAA in Library 103, call at (239) 590-7906, or visit www.fgcu.edu/caa.

Counseling and Psychological Services (CAPS) provides free counseling and therapy services (including psychiatry) to all FGCU students. Please walk in to the second floor Howard Hall office any weekday between 8:30 and 4:30 to schedule an initial contact appointment. Visit the CAPS website at www.fgcu.edu/caps for more information. CAPS offers a 24/7 Helpline at (239) 745-3277 (EARS).

Respondus Monitor – Remote, Online Exam Monitoring

In order to protect the integrity of online assessments that are delivered to students off site in a non- proctored location, this course may employ Respondus Monitor technology that will allow for the web- enabled monitoring of exams and quizzes. Students must own a computer device and an associated webcam that meet the minimum requirements of the University’s standard remote monitoring system. Additional information: Respondus Monitor overview: <http://respondus.com/products/monitor/>

Respondus LockDown Browser – Classroom and/or Remote Online Exams ^[1]_[SEP]

In order to protect the integrity of classroom or remote online exams, this course may employ Respondus LockDown Browser technology that will allow for the student’s temporary restriction to a designated online testing website, disabling the ability to print, copy, access other applications or move to any other URL for the duration of the assessment. This technology may be used on campus in University computer classrooms or for remote delivery of quizzes and exams. [For online classes only: students must own a computer that meets the minimum requirements of the University’s standard lock down browser application.] Additional information: Respondus LockDown Browser overview: <http://respondus.com/products/lockdown-browser/>

Lecture Capture Technology/FGCU Capture – Classroom Recording ^[1]_[SEP]

This course may employ technology that will allow for audio and/or video recording of live classroom sessions. This lecture capture technology is utilized for the sole purpose of enhancing student learning. It may provide for supplemental student instruction via secure links to recorded session(s), the live stream of courses, presentations of off-site guest speakers and/or the delivery of course instruction utilizing “flipped classroom” methodologies. Student questions and/or comments may be included as a part of any session being recorded. See FGCU-CAPTURE for additional details <http://acts.fgcu.edu/fgcucapture.asp>