

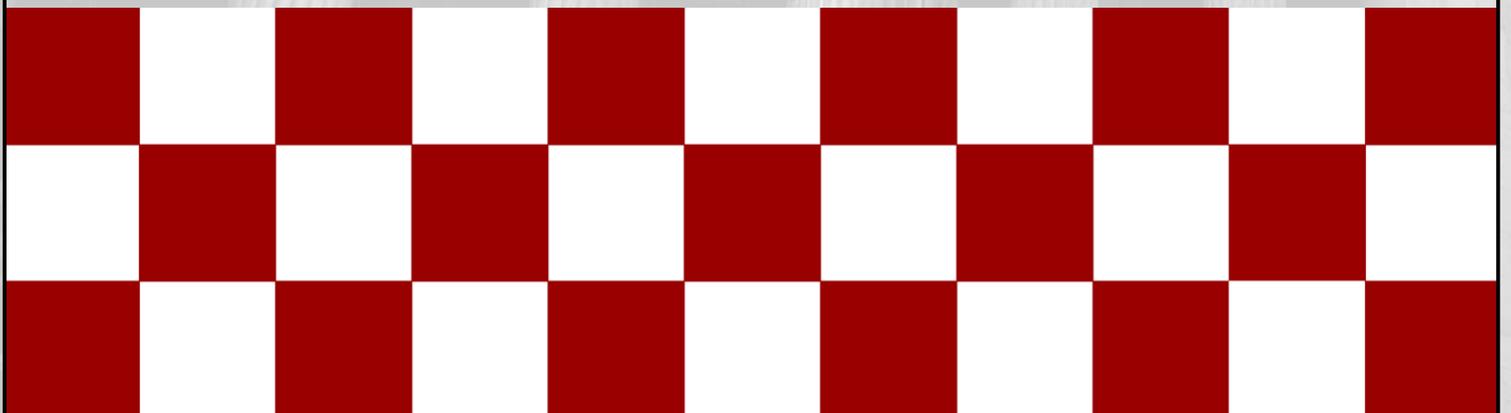


ROBINS
School of Business™

FIN 366: INVESTMENTS

COURSE SYLLABUS

Professor: Joseph Farizo





FIN 366: INVESTMENTS

COURSE SYLLABUS
ROBINS SCHOOL OF BUSINESS

Welcome to Finance 366! This is an exciting course that will introduce you to the investing process, financial markets, and valuation. Upon completion, you will have a better understanding of how financial markets and the broader macroeconomy work. Additionally, you'll recognize the role that financial instruments play in saving and investing.

We begin first by defining financial assets, financial institutions, and the role of markets. Then, we cover a history of markets and the risk/return tradeoff. Pricing models, which rely on this risk/return tradeoff as a key underlying assumption, follow. We will then learn about the benefits of diversification, portfolio construction, and stock and bond valuation.

My goal is to help you succeed, not just in the classroom but in your career. If ever you feel as if you are falling behind (or need more of challenge), please contact me. I am *always* happy to help. I look forward to this semester and hope you find this class useful, relevant, and rewarding.

- Joe

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FIN 366: INVESTMENTS

COURSE SYLLABUS
ROBINS SCHOOL OF BUSINESS

PROFESSOR:

Joseph (Joe) Farizo

 RSB Office 329

 (804) 289-8565

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CLASS TIMES & LOCATIONS:

Sec 4: MW 2:30-3:45 (Queally Center 125A)

Sec 5: MW 4:15-5:30 (Queally Center 125A)

OFFICE HOURS (ZOOM):

By appointment at josephfarizo.com.

TOPICS:

1. Investments Background
2. Financial Instruments and Markets
3. Institutions
4. Risk, Return, and Diversification
5. Equity Security Analysis
6. Debt Securities

ASSIGNMENTS & POINTS:

Exams (3 @ 150)	450	(56%)
HW (6 @ 25)	150	(19%)
Group Project	100	(13%)
WSJ Sums. (4 @ 10)	40	(5%)
Independent Project	40	(5%)
Resume	20	(2%)
<i>Total</i>	800	(100%)

GRADING SCALE:

A	760+	C	584
A-	720	C-	560
B+	696	D+	536
B	664	D	504
B-	640	D-	480
C+	616	F	Below

COURSE DESCRIPTION:

Finance 366 provides a foundation in the basic terminology, theory, concepts, and applications used in modern investments.

OBJECTIVES AND GOALS:

By the end of this course, you should:

- understand key investment concepts and theories relating to risk, return, valuation, asset pricing models, markets, financial institutions, and performance evaluation.
- develop an ability to follow relevant financial news, comprehend market data, and understand financial asset price movements.
- be familiar with the investment process, understand how to build a portfolio, and know how to formulate an investing strategy.

PREREQUISITES:

FIN 360, business school major.

A TYPICAL CLASS DAY:

FIN 366 is a lecture-based course. Each class, we will briefly discuss market news, learn about a finance resource, and highlight an upcoming event at Robins before covering the topic of the day. Presentations include slides and Excel files. I recommend handwritten note-taking during class.

REQUIRED MATERIALS:

1. **Textbook:** *Essentials of Investments, 11th edition*. Z. Bodie, A. Kane, and A. Marcus. Purchase options are available at tinyurl.com/bkml1ed (\$55 - \$164)
2. **Financial Calculator:** Texas Instruments BA II Plus tinyurl.com/fincalc366 (~\$33)
3. **WSJ Subscription:** education.wsj.com/search-students/ (free)
4. **Microsoft Office 365:** tinyurl.com/ur365 (free)
5. **Adobe Scan app** (or other) to turn in homework: tinyurl.com/scan-app (free)
6. **Other Resources:** course presentations, Excel files, and more will be posted to josephfarizo.com. We do not use Blackboard for this course.

GRADED ASSESSMENTS:

EXAMS

Exams consist of multiple-choice computations, multiple-choice conceptual questions, “select all that apply” questions, and current event questions.

	Date	Material	Points
Exam 1	2/22	Ch. 1, 2, 3, 4, 5	150
Exam 2	3/22	Ch. 6, 7, 8&9, 12 and comprehensive questions	150
Exam 3	4/19	Ch. 13, 10, 11 and comprehensive questions	150

HOMEWORK ASSIGNMENTS

Homework assignments consist of computational problems. A link to your personalized assignment will be emailed to you. Late assignments are not accepted. Submit to josephfarizo.com/assignments.html following the instructions on the assignment.

	Date	Material	Points
HW 1	2/5 @ 3pm	Chapters 2 & 3	25
HW 2	2/19 @ 3pm	Chapters 4 & 5	25
HW 3	3/12 @ 3pm	Chapter 6	25
HW 4	3/19 @ 3pm	Chapter 7	25
HW 5	4/9 @ 3pm	Chapter 13	25
HW 6	4/16 @ 3pm	Chapters 10 & 11	25

WALL STREET JOURNAL SUMMARIES

Four WSJ Summary assignments are due throughout the semester. Templates and instructions are available at josephfarizo.com/fin366.html. Late assignments are not accepted. Submit to josephfarizo.com/assignments.html. Please no “opinion” or “editorial” articles.

The first WSJ Summary, *WSJ 1*, will be about personal finance topics you should know about that we will not spend much time discussing in class (401(k) Plans, 529 Plans, Roth IRAs, and the Tax Cut and Jobs Act of 2017). The remaining three WSJ assignments are related to topics we will cover in greater detail in class.

	Date	Article topics	Points
WSJ 1	1/29 @ 3pm	(1) 401(k) Plans, (2) 529 Plan, (3) Roth IRAs, and (4) Tax Cut and Jobs Act of 2017	10
WSJ 2	2/26 @ 3pm	(1) Sarbanes-Oxley Act, (2) Subprime Mortgage Crisis, (3) Derivatives, (4) Mutual Funds	10
WSJ 3	3/26 @ 3pm	(1) Diversification, (2) Market Efficiency, (3) Irrationalities/Behavioral, (4) Yield Curve	10
WSJ 4	4/23 @ 3pm	(1) Growth vs. Value Investing, (2) Dividends, (3) Corporate Bond Markets, (4) Duration	10

RESUME (10 points)

Submit a resume using the template available at josephfarizo.com/resume.docx. You will be graded on the following:

- Spelling, grammar, punctuation
- Writing clarity
- Following the template format
- One page (front only)

Skills (i.e., Advanced Excel, Python, Stata, Bloomberg, basic web design) should generally be relevant to your field while *Interests* (i.e., motorcycling and playing guitar) are hobbies. Including interests is optional. Limit interests to three things, and be specific.

You should list *Experience* and *Activities* from most recent to oldest. If you have secured a job or internship but have not yet begun, list it as your most recent position and use the bullet points to describe your expected roles in that position. For the date, put “beginning” in front of your projected start date. (*In practice, however, you generally should not include upcoming jobs.*)

The resume is due Feb. 12th @ 3 pm. Submit to josephfarizo.com/assignments.html.

INDEPENDENT PROJECT (40 points)

In this course, we will learn about a firm’s β (or *beta*). For this project, you will calculate and interpret firm betas on your own. I will provide additional details on the assignment after we cover the necessary material in Chapters 6 and 7.

In your career, an ability to research on your own how to complete challenging tasks will be required. The goal of this project is for you to get comfortable with this process while enhancing your understanding about an important finance concept. Therefore, you will largely complete this assignment on your own with little in-class instruction. Of course, I am happy to give guidance on this assignment during office hours.

The project is due Apr. 2nd @ 3 pm. Submit to josephfarizo.com/assignments.html.

GROUP PROJECT (100 points)

We will discuss the group project near the end of the semester. The focus of the project is real-world and practical applications of what we cover in class. Presentations will be held during your normally scheduled final exam slot. I will provide instructions for submitting a written report and presentation slides later.

Normal Class Time	Presentation Date	Presentation Time
MW 2:30 pm	Thursday, April 29	9 am – 12 noon
MW 4:15 pm	Tuesday, May 4	2 pm – 5 pm

GRADING SCALE:

To calculate your final grade, add up your points across all assignments and compare the sum to the following table.

A	760+	B-	640	D+	536
A-	720	C+	616	D	504
B+	696	C	584	D-	480
B	664	C-	560	F	Below

Note that we use this point system, not percentages. However, each letter is *roughly equal to 10* percentage points, with an “A” being awarded only for exceptional work.

I take great effort to ensure fair grading. Grades may be curved up (this is *rare*) but are never curved down depending on the class average and distribution. The grade thresholds in the above table are thus absolute: you cannot petition for a 719 to be rounded up to an A-, nor a 639 to a B-, and so on. Further, no extra credit or bonus assignments will be granted. To be equitable, everyone will be evaluated on the same set of assignments as defined in this syllabus.

EXPECTATIONS:

WORKLOAD

Per the Registrar’s Office:

“ An undergraduate unit is based on “time-on-task” as a standard and recognizes 10-14 hours per week as the minimum time that a typical good student should need to spend on a course, if that course is sufficiently challenging and if that student is to achieve a high level of learning. ”

You should therefore expect to work 10 to 14 hours per week outside of class time, *at a minimum*, to do well. An hour or two every day of uninterrupted, and focused work is optimal. Actively learning outside of class is necessary.

ATTENDANCE

You are expected to attend class. A makeup exam be granted only for (1) serious illness to you or an immediate family member (parent, grandparent, sibling, spouse), (2) death of an immediate family member, (3) University approved functions and holidays as defined by the Registrar's office, (4) Military service, or (5) COVID-19 isolation or quarantine as required by the University. Appropriate documentation indicating your absence falls in one of these four categories will be requested, and you must show you were unable to attend on the exact day of the assignment. Advance notice must be given if you will miss an exam due to a scheduled University function. Documented excuses will not be accepted if they are not provided within one week of the missed assignment.

Do not come to class if you feel ill. Notify me as necessary, and schedule office hours.

ACADEMIC HONESTY

Cheating on an assignment will result in a 0% score on that assignment. The student will be reported, which may result in probation, suspension, or expulsion from the University.

COVID-19 ADJUSTMENTS

We will abide by University policy regarding our response to COVID-19. For updates, check your email frequently and visit

- richmond.edu/coronavirus/messages/index.html
- richmond.edu/coronavirus/dashboard/

It is likely this syllabus will need to be adjusted due to COVID-19 issues.

UNIVERSITY RESOURCES:

ACADEMIC SKILLS CENTER

Helps students assess their academic strengths and weaknesses; hone their academic skills through teaching effective test preparation, critical reading and thinking, information processing, concentration, and related techniques; work on specific subject areas (e.g., calculus, chemistry, accounting, etc.); and encourage campus and community involvement. (asc.richmond.edu or call 289-8626 or 289-8956.)

CAREER SERVICES

Can assist you in exploring your interests and abilities, choosing a major, connecting with internships and learning experiences, investigating graduate and professional school options, and landing your first job. We encourage you to schedule an appointment with a career advisor during your first year. (careerservices.richmond.edu/ or call 289-8547.)

COUNSELING AND PSYCHOLOGICAL SERVICES

Assists students in meeting academic, personal, or emotional challenges. Services include assessment, short-term counseling and psychotherapy, crisis intervention, psychiatric consultation, and related services. (caps.richmond.edu or call 289-8119.)

SPEECH CENTER

Assists with preparation and practice in the pursuit of excellence in public expression. Recording, playback, coaching and critique sessions offered by teams of student consultants trained to assist in developing ideas, arranging key points for more effective

organization, improving style and delivery, and handling multimedia aids for individual and group presentations. (speech.richmond.edu or call 289-6409.)

WRITING CENTER

Assists writers at all levels of experience, across all majors. Students can schedule appointments with trained writing consultants who offer friendly critiques of written work. (Visit writing.richmond.edu or call 289-8263.)

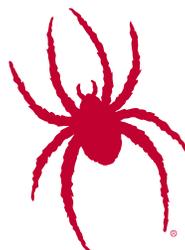
BOATWRIGHT LIBRARY RESEARCH

LIBRARIANS

Assist students with identifying and locating the best resources for class assignments, research papers and other course projects. Librarians also assist students with questions about citing sources correctly. Students can schedule a personal research appointment, meet with librarians in the first floor Research and Collaborative Study area, email, text, or use instant messaging. (Visit libguides.richmond.edu/ or call 289-8669.)

DISABILITY SUPPORT SERVICES

If you believe you have a disability requiring an accommodation, please follow the procedures listed on the University of Richmond Disability Services website disability.richmond.edu/ to begin the accommodations process as soon as possible. If you already have a University of Richmond Disability Accommodation Notice (DAN), please make an appointment with me as soon as possible, so that I am aware of your accommodations. No student will receive accommodations of any kind without a DAN.



TENTATIVE COURSE SCHEDULE

Week	Date	Agenda	
1	1/20	Ch. 1: Background & Investors Ch. 2: Asset Classes Ch. 3: Securities Markets Ch. 4: Mutual Funds & Investment Companies Ch. 5: Risk, Return, and Historical Record	
2	1/25		
	1/27		
3	2/1		
	2/3		
4	2/8		
	2/10		
5	2/15		
	2/17		
6	2/22		Exam 1
	2/24	Ch. 6: Efficient Diversification Ch. 7: Capital Asset Pricing Model Ch. 8 & 9: Efficient Markets and Behavioral Finance Ch. 12: Macroeconomy and Industry	
7	3/1		
	3/3		
8	3/8		
	3/10		
9	3/15		
	3/17	Exam 2	
10	3/22	Ch. 13: Equity Valuation Ch. 10: Bond Prices & Yields Ch. 11: Managing Bond Portfolios	
	3/24		
11	3/29		
	3/31		
12	4/5		
	4/7 No Class		
13	4/12		
	4/14		
14	4/19		Exam 3
	4/21		Final Project Discussions
15	4/26	Final Project Presentations	
	Finals Week		

IMPORTANT DATES

An assignment is due every Friday at 3pm (excluding week one and the light workload week).

Date	Items Due
Friday, 1/29	WSJ 1 @ 3pm
Friday, 2/5	HW 1 @ 3pm
Friday, 2/12	Resume @ 3pm
Friday, 2/19	HW 2 @ 3pm
Monday, 2/22	Exam 1
Friday, 2/26	WSJ 2 @ 3pm
Friday, 3/5	No assignment – light workload week
Friday, 3/12	HW 3 @ 3pm
Friday, 3/19	HW 4 @ 3pm
Monday, 3/22	Exam 2
Friday, 3/26	WSJ 3 @ 3pm
Friday, 4/2	Independent Project @ 3pm
Wed., 4/7	No Class
Friday, 4/9	HW 5 @ 3pm
Friday, 4/16	HW 6 @ 3pm
Monday, 4/19	Exam 3
Friday, 4/23	WSJ 4 @ 3pm
Finals Week	Final Project Presentations

The instructor reserves the right to modify dates and topics. You will be notified of changes.