

OFFICE HOURS:

Eagle Pass T 9:00 AM-5:00 PM
Eagle Pass W 9:00 AM- 3:00 PM
OR BY APPOINTMENT ANYTIME

I will be available by phone, e-mail or in my office to offer help on any subject related to the course. As we progress in the course, I may make changes to this syllabus to accommodate any particular subject area. In that sense, this syllabus is a guideline, not a contract.

Required Text:

Fundamentals of Investing 12e.

Scott Smart, Lawrence Gitman, Michael Joehnk, Pearson ISBN 9780133075359

1) **Learning Objectives:**

Module 1

Chapter 1 The Investment Environment

The student will be able to:

- 1) Understand the meaning of the term *investment* and distinguish one type of investment from another.
- 2) Describe the investment process and the types of investors.
- 3) Discuss the principal types of investments.
- 4) Review fundamental tax considerations and discuss investing over the life cycle

Assessment: Written exam and/or demonstration exercises.

Module 2

Chapter 2 Securities Markets and Transactions

The student will be able to:

- 1) Identify the basic types of securities markets.
- 2) Explain the Initial Public Offering (IPO) process.
- 3) Describe brokers markets and dealers markets.
- 4) Review the key aspects of the globalization of securities markets.
- 5) Explain long purchases, margin transactions and short sales.

Assessment: Written exam and/or demonstration exercises.

Chapter 3 Investment Information and Securities Transactions

The student will be able to:

- 1) Discuss the growth in online investing.
- 2) Identify the major types and sources of investment information.
- 3) Explain the key aspects of stock and bond market averages and indexes.

- 4) Review the role of stockbrokers. Describe the basic types of orders, online transactions, transactions cost, and the legal aspect of investor protection.

Assessment: Written exam and/or demonstration exercises.

Module 3

Chapter 4 Return and Risk and 4a The Time Value of Money

The student will be able to:

- 1) Review the concept of return. Its components, the forces that affect the level of return, and the historical returns.
- 2) Discuss the role of time value of money in measuring return.
- 3) Describe real, risk-free, and required returns and the calculation and application of holding period return.
- 4) Explain the concept and the calculation of yield and how to find growth rates.

Assessment: Written exam and/or demonstration exercises.

Module 4

Chapter 6 Common Stocks

The student will be able to:

- 1) Discuss the investment appeals of common stocks and why individuals like to invest in them.
- 2) Discuss the basic features of common stocks, including issue characteristics, stocks quotations, and transaction costs.
- 3) Discuss common stocks dividends, types of dividends, and dividend reinvestment plans.
- 4) Describe various types of common stocks, including foreign stocks, and how stocks can be used as investments vehicles.

Assessment: Written exam and/or demonstration exercises.

Chapter 7 Analyzing Common Stocks

The student will be able to:

- 1) Discuss the security analysis process, including its goals and functions.
- 2) Understand the purpose and contributions of economic analysis.
- 3) Describe industry analysis and demonstrate a basic appreciation of fundamental analysis and how it is used.
- 4) Calculate a variety of financial ratios and describe how financial analysis is used.

Assessment: Written exam and/or demonstration exercises.

Module 5

Chapter 8 Stock Valuation

The student will be able to:

- 1) Explain the role that company's future plays in the stock valuation process.

- 2) Discuss the concepts of intrinsic value and required rates of return, and note how they are used.
- 3) Determine the underlying value of a stock using the zero-growth, constant-growth, and variable-growth dividend valuation models.
- 4) Use other types of present value-based models to derive the value of a stock, as well as alternative price-relative procedures.

Assessment: Written exam and/or demonstration exercises.

Chapter 9 Market Efficiency and Behavioral Finance

The student will be able to:

- 1) Describe the characteristics of an efficient market and explain what anomalies are,
- 2) Summarize the evidence which indicates that the stock market is efficient.
- 3) Explain how behavioral finance links market anomalies to investors' cognitive biases.

Assessment: Written exam and/or demonstration exercises.

Module 6

Chapter 10 Fixed-Income Securities

The student will be able to:

- 1) Explain the basic investment attributes of bonds and their use as investments.
- 2) Explain how bonds are priced in the market and why some bonds are more volatile than others.
- 3) Identify the different kinds of bonds and the kinds of investment objectives these securities can fulfill.
- 4) Describe the basic features of a convertible security and measure the value of a convertible security.

Assessment: Written exam and/or demonstration exercises.

Chapter 11 Bond Valuation

The student will be able to:

- 1) Explain the behavior of market interest rates and identify the forces that cause interest rates to change.
- 2) Describe the term structure of interest rates and note how yield curves can be used by investors.
- 3) Understand how bonds are valued in the marketplace.

Assessment: Written exam and/or demonstration exercises.

Module 7

Chapter 12 Mutual Funds and Exchange-Traded Funds

The student will be able to:

- 1) Explain the basic features of mutual funds and what they have to offer as investments.
- 2) Distinguish between open-end and closed-end funds, exchange traded funds, and other types of professionally managed investment companies.
- 3) Discuss the types of funds available and the investment objectives they seek to fulfill.
- 4) Identify the sources of return and compute the rate of return earned on a mutual fund investment.

Assessment: Written exam and/or demonstration exercises.

Chapter 13 Managing Your Own Portfolio

The student will be able to:

- 1) Explain how to use an asset allocation scheme to construct a portfolio.
- 2) Discuss the data and indexes needed to measure and compare investment performance.
- 3) Understand the techniques used to measure income, capital gains, and total portfolio return.

Assessment: Written exam and/or demonstration exercises.

2. Assignments: Selected exercises will be assigned to help in the understanding of the course material. The Blackboard course content area specifies module's assessments and assignment topics.
3. Exams: Are not cumulative (except to the extent that one part builds upon another). **Exams are time limited, you can stop and resume but the clock keeps running.**

THERE ARE NO MAKE-UPS FOR MISSED EXAMS OR ASSIGNMENTS

4. Course Grading:

The projected cutoff point for A's, B's, C's, and D's are based on a 90%, 80%, 70%, and 60%, respectively.

Distance Education Statement: Students enrolled in distance education courses have equal access to the university's academic support services, library resources, and instructional technology support. For more information about accessing these resources, visit the SRSU website. Students should submit online assignments through Blackboard or SRSU email, which require secure login information to verify students' identities and to protect students' information. *[If the course requires students to take proctored exams or to purchase additional software or equipment, please describe those requirements here.]* The procedures for filing a student complaint are included in the student handbook. Students enrolled in distance education courses at Sul Ross are expected to adhere to all policies pertaining to academic honesty and appropriate student conduct, as described in the student handbook. Students in web-based courses must maintain appropriate equipment and software, according to the needs and requirements of the course, as outlined on the SRSU website.

Assessments are due at 11:59 pm of the scheduled date (first column below).

<u>Module/ Date</u>	<u>Topic</u>	<u>Chapter</u>	<u>Description</u>
Mod 1 Jan 31	The Investment Environment	1	Investments and the investment process Assessment available 1/29/17 6:00 AM
Mod 2 Feb 14	Securities Markets and Transactions Investments Information and Securities Transactions	2 3	Types of securities markets Research and planning, sources of information, making securities transactions Assessment available 2/11/17 6:00 AM
Mod 3 Feb/28	Return and Risk The Time Value of Money	4 4A	Concept of return, measuring return, risk. Interest, present value, future value. Assessment available 2/26/17 6:00 AM
Mod 4 Mar 12	Common Stocks Analyzing Common Stocks	6 7	Characteristics of common stocks, dividends, types and uses Security, economic, and industry analysis. Assessment available 3/10/17 6:00 AM
Mod 5 Mar 27	Stock Valuation Market Efficiency and Behavioral Finance	8 9	Stock valuation models Efficient markets, behavioral finance, technical analysis. Assessment available 3/25/17 6:00 AM
Mod 6 Apr 17	Fixed Income Securities Bond Valuation	10 11	Features of a bond, market for debt securities, convertible securities. Pricing, yield and return, duration and immunization, investment strategies. Assessment available 4/15/17 6:00 AM
Mod 7 Dec 4	Mutual Funds and Exchange-Traded Funds\ Managing your own portfolio	12 13	Types of funds and services, investing in mutual funds. Asset allocation, evaluating individual investments, assessing performance. Assessment available 5/2/17 6:00 AM