COURSE SYLLABUS

Course Finance 367 – Investment Management

Semester Fall 2010

Instructor William T. Charlton, Jr., Ph.D., CFA

Office CBA 6.304D

232-6834 (***May be changing***) Phone

wcharlton@mail.utexas.edu (***Best way to reach me***)

Office Hours TBA

Class Meetings MWF 11:00-12:00 #03275 CBA 4.332

> MWF 12:00-1:00 #03280 CBA 4.332 MWF 1:00-2:00 UTC 3.102 #03285

COURSE DETAILS

Course Material Essentials of Investments, 8th ed., Bodie, Kane, and Marcus (BKM). Wall Street Journal (Should be read on a daily basis) Optional: Solutions Manual for Use with Essentials of Investments

and Purpose

Course Objective Finance 367 introduces the student to the basic terminology and concepts of modern investments. As in many fields, a good understanding of the basics can be instrumental to later success. This is particularly true in investments. Even the most complicated financial security can be decomposed into its constitute parts and analyzed. A strong foundation in the basics of investments gives the student the tools necessary to complete just such an analysis.

> The material in this course will help students begin to develop an understanding of the functioning of financial markets and instruments. This understanding can be useful in both your professional and personal lives. Also, the material covered in this class is an appropriate starting point for anyone interested in a career as in investment professional, portfolio manager, or security analyst.

Perquisites

Finance 367 is a Restricted Course for students currently enrolled in a major program in the College of Business Administration. Note that several prerequisites apply and are published in the Course Schedule. Prior completion of Finance 357 or Finance 357 H (with a grade of at least a C) and its prerequisites are among these requirements.

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COURSE POLICIES

Disabilities

Students With The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, please contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.

Attendance

Roll will not be taken on a regular basis. However, this course covers a great deal of material over a short period of time and missing class may put the student at a significant disadvantage. The lectures will contain information that may not be in the textbook. Students are responsible for all material covered in class, no matter the source. Unless you have prior approval, you are expected to attend your registered session.

Participation

Participation is one of the best ways for a student to insure that they understand the material. I intend to create an environment that encourages open discussion and allows you to feel comfortable in asking any question. An unasked question, particularly about a basic point, may impede the student's learning.

Feedback

I am open to and encourage students to offer suggestions on how to improve the course both for the existing semester and future ones. My goal is to optimize my approach to helping students understand the important topics that we will covering this semester. improvements will be much appreciated.

Honor Code

You are expected to abide by the University Honor Code at all times. All violations will be handled according to University procedures and referred to proper authorities. I will pursue any violations to the fullest extent of the code. If you are ever in doubt about a particular issue, please ask!

The course is intentionally structured to give students multiple opportunities to achieve an appropriate grade. No single test will determine a student's grade (see discussion of the optional final below). It is my hope that this structure will minimize the incentives to violate the Honor Code.

Calculators

A financial calculator is recommended for this course. Students are responsible for selecting and learning the operation of their calculators. Calculators will be cleared prior to taking the exams and cannot be shared.

Laptops/Devices

The use of laptops and other electronic devices including cell phones is prohibited during class lectures and exams. This is to minimize the distraction for all participants in the classroom.

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EVALUATION

Grading	Point Distribution	
	Exam I	100 pts.
	Exam II	100 pts.
	Exam III	100 pts.
	Exam IV	100 pts.
	Total (see below)	400 pts.

Your grade for the course will depend solely on your performance on the exams and the final; there is no opportunity for extra work. Pass/fail students must take all exams to receive a passing grade.

Scale The standard 90%, 80%, etc. scoring system is used. If necessary, the final grades may be curved at my discretion. For borderline cases, class attendance and participation as well as improvement throughout the semester will be considered.

Text Problems Students are expected to work the specified problems in the textbook. Although the problems will not be collected, students may be called on in class to explain their answers. Solutions can be found in the optional solutions manual.

All exams will be held during regularly scheduled class times. The week of each exam is specified in the Tentative Course outline. The exact date of the exam will be determined as we progress through the semester. Unless you have prior approval, you are required to take the exam with the section that you are registered for.

Exams will be closed book, however a formula sheet will be provided for the exams. A sample formula sheet will be issued early in the semester so that students can familiarize themselves with it. The format of the exams will include multiple choice, problems, and shortanswer.

Once the exams are graded they will be passed out and reviewed in class after which they will be recollected. Students with questions about the exam can address them either during the review or office hours.

Final The final is optional and will be comprehensive. Your score on the final may substitute for the lowest score on *one* of the semester exams, but may not substitute for an unexcused absence. At the end of the semester, I will ask you to inform me as to whether you wish to take the final or not.

Make-ups No make-up exams will be given. For an anticipated (and excused)

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absence from a test, you may arrange with me to take the exam early. It is your responsibility to contact me at least one week prior to the exam to arrange a mutually convenient testing time. Unless you have received prior approval, you will be considered unexcused if you do not take an exam with your assigned section.

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TENTATIVE COURSE OUTLINE				
Week	Week Beginning	Торіс	Chapter	
1	8/23	Background & Issues Asset Classes & Instruments	1 2	
2	8/30	Fixed Income	10	
3	9/6	Managing Fixed-Income	11	
4	9/13	Exam I		
5	9/20	Equities	13	
6	9/27	Options Market & Valuation	15 & 16	
7	10/4	Futures	17	
8	10/11	Exam II		
9	10/18	Risk & Return Risk & Diversification	5 6	
10	10/25	Risk & Expected Return: CAPM & APT Efficient Markets	7 8	
11	11/1	Exam III		
12	11/8	Financial Statement Analysis	14	
13	11/15	Macroeconomic & Industry Analysis	12	
14	11/22	Investors & the Investment Process	22	
15	11/29	Exam IV		
Final	12/8 (Wed.) 12/10 (Fri.) 12/14 (Tue.)	11:00 section: 9:00am – 12:00 12:00 section: 9:00am – 12:00 1:00 section: 9:00am – 12:00		

Please Note: This is a tentative course outline. Chapters may be re-sequenced, dropped or added depending on our progress throughout the semester. I will inform you of any changes as they are made.