FIN 377.1 Portfolio Analysis and Management

Fall 2015 Syllabus

Successful completion of the Portfolio Analysis and Management course provides students with comprehensive knowledge of the subject and a set of tools designed to assist them in the investment decision-making process at the portfolio manager level. The prerequisite of FIN 367, Investment Management, is required as the consistent application of knowledge gained in this course will be necessary to complete the assigned case, homework problems, as well as adequately comprehend the assigned readings.

Instructor: Gregory A. Alves | Greg.Alves@mccombs.utexas.edu


Online Learning Center: www.mhhe.com/sph1e

Office: GSB 4.126G
Office Hour: M 12:00 – 1:00 PM
Course Room & Time: CBA 4.348 MW 8:00 to 9:30 AM

Grading & Reporting

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Percent</th>
<th>Responsibility</th>
<th>Assessed by</th>
</tr>
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<tbody>
<tr>
<td>Cases</td>
<td>40%</td>
<td>Team</td>
<td>Instructor</td>
</tr>
<tr>
<td>Homework</td>
<td>20%</td>
<td>Student</td>
<td>Instructor</td>
</tr>
<tr>
<td>Class Participation</td>
<td>10%</td>
<td>Student</td>
<td>Instructor</td>
</tr>
<tr>
<td>Team Assessment</td>
<td>10%</td>
<td>Student</td>
<td>Fellow Team Members</td>
</tr>
<tr>
<td>Final Exam</td>
<td>20%</td>
<td>Student</td>
<td>Instructor</td>
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- No credit beyond the above graded assignments is allocated during or after the end of the semester
- Incompletes may be granted at my discretion and in accordance with the General Information Catalog found here: http://registrar.utexas.edu/catalogs
<table>
<thead>
<tr>
<th>Week</th>
<th>Monday</th>
<th>Wednesday</th>
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</thead>
</table>
| 01    | Break           | Topic: Introduction
Read for Week 2: CH 1, 2
Assign: Homework 1: CH2_EO
1st Deliverable |
| 02    | Aug 31, Sep 2   | Topic: Client Objectives
Due: Homework 1: Minutes
Read for Week 3, 4: CH 3 & all appendices
Assign: Homework 2: CH3_EO, CH3_P7, P8, P9, P10 |
| 03    | Sep 7, 9        | Labor Day Holiday
FTTC LAB |
| 04    | Sep 14, 16      | Topic: Asset Allocation
Due: Homework 2: Minutes
Read for Week 5: CH 4
Assign: Homework 3: CH4_EO |
| 05    | Sep 21, 23      | Topic: Asset Allocation Inputs
Due: Homework 3
Read for Week 6: CH 5 no appendices
Assign: Homework 4: CH5_EO (complete only the first three) |
| 06    | Sep 28, 30      | Topic: Advanced Topics in Asset Allocation
Due: ***1st Deliverable***
Assign: 2nd Deliverable
Due: Homework 4
Read for Week 7: CH 6
Assign: Homework 5: CH6_EO |
| 07    | Oct 5, 7        | Topic: The Investment Management Process
FTTC LAB
Due: Homework 5: Minutes
Read for Week 8: CH 7
Assign: Homework 6: CH7_EO, CH7_P6, P7 |
## Schedule (continued)

Green = Topic | Blue = Assignment | Red = Assignment Due

<table>
<thead>
<tr>
<th>Week</th>
<th>Monday</th>
<th>Wednesday</th>
</tr>
</thead>
<tbody>
<tr>
<td>08 Oct 12, 14</td>
<td>Topic: Equity Portfolio Investing</td>
<td>Topic: Equity Portfolio Investing Due: Homework 6 Read for Week 10: CH 8 Assign: Homework 7: CH8_EO</td>
</tr>
<tr>
<td>09 Oct 19, 21</td>
<td>Topic: Equity Portfolio Construction FTC LAB</td>
<td>Topic: Equity Portfolio Construction Due: Homework 7: Minutes Read for Week 11 &amp; 12: CH 9 Assign: Homework 8: CH9_EO</td>
</tr>
<tr>
<td>13 Nov 16, 18</td>
<td>Topic: Portfolio Management through Time FTC LAB</td>
<td>Topic: Portfolio Management through Time Due: Homework 10: Minutes Read for Week 15: CH 13 Assign: Homework 11: CH13_EO</td>
</tr>
<tr>
<td>15 Nov 30, Dec 2</td>
<td>Topic: Incentives, Ethics, and Policy Due: <em><strong>3rd Deliverable Due</strong></em></td>
<td>Topic: Review Final Due: Team Assessment</td>
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**Final Examination Date:** Friday, December 11, 2:00-5:00 pm
Homework

Listed in this syllabus are a number of homework assignments designed to demonstrate your reading comprehension and give you the opportunity to practice your newly acquired knowledge. Completion of these homework assignments will also assist you in the case deliverables discussed in the next section. Homework will consist primarily of the Excel Outboxes and occasionally some end of the chapter problems. For example, CH1_P5, CH2_EO, CH2_PALL is interpreted as chapter 1 problem 5, chapter 2 Excel Outboxes and all chapter 2 problems, i.e., CH for chapter, P for problems where ALL is all problems at the end of the chapter. **NOTE WHERE EXCEL OUTBOXES ARE ASSIGNED (EO), YOU MUST COMPLETE ALL OUTBOXES IN THE CHAPTER INCLUDING ANY IN THE CHAPTER’S APPENDIX IF THEY EXIST EXCEPT WHERE NOTED.** While it may be possible to acquire the answers to these problem sets, I require that you attempt your best individual effort to complete these problems on your own so that I may identify where, not only you as an individual is having difficulty, but possibly the class in general. In that way, I am able to revisit a subject and reinforce your understanding of the material. In most cases, your name, homework assignment number, and date will already be included in any Excel Outbox homework provided to you. For written problem assignments, please include these pages separately with a title page that includes your name, assignment number, and date. **Homework is due at the start of class on the date due. I will not accept late homework** except in those cases described under the “Religious Holy Days” section of this syllabus. Most of the assignments require completion of the chapter’s Excel Outboxes. You must complete the Outboxes using a predesigned template, which I will provide to you via e-mail on the assignment date. Do not use the templates available in the Online Learning Center website, which is noted on the first page of this document. All areas of the template will be protected except those that require your input. The file will also have a unique name. **DO NOT CHANGE THE FILE NAME.** Once completed, please attach your file and email to Greg.Alves@mccombs.utexas.edu. Any files sent must reach me at or before the start time of class on the date homework is due. If your work is not complete by the due date, please send me what you have completed in order to...
obtain at least partial credit for those answers you may have completed correctly. Homework received late or not at all will receive a score of zero.

Case Deliverables

Page 519 of the required textbook under the heading, “Sample Cases,” contains information about the case deliverables. The class will be broken up into groups. I will assign individuals randomly to each group. Once groups are established, they will remain in place until the end of the semester. Each group will be responsible for the John M. case deliverables outlined in the textbook. Your deliverables must follow each outline for each deliverable. You will be required to go into greater depth than the number of pages listed in the textbook would suggested. This is because the other cases have not been assigned. Your thoroughness will result in written work that will easily exceed the number of pages suggested in the textbook for this case. Use the outline headings and subheadings in your paper so that I may clearly identify your response to a given problem. Note: I reserve the right to add, change, or modify the textbook instructions and outline to the case problem. If I do so, I will give you advanced notice of such changes. You may include charts and tables within your text or include as an appendix. All charts and tables must be labeled clearly, i.e., Table 1, Figure 1, etc. and referenced within the text. Deliver all submissions with 1-inch margins all around, 12-point font type, and single-spacing. Please use some form of binding that allows for easy reading and will not result in shuffled or lost pages. A number of the problems require large amounts of data and a series of steps to complete. For such instances, you must provide the summary output in your paper and deliver separately a spreadsheet containing your calculations via email so that I may confirm your work. Label the problems in your spreadsheet to correspond to the output in your paper for proper assessment and grading. Note: All summary data in the spreadsheet must be included in your paper as a table, figure or chart for grading purposes. You may place these items in an appendix as long as referenced within your paper. You do not need to include the raw data from which you made your summary calculations in your paper only in your spreadsheet.
A late deliverable submission by the group will not be accepted and will receive an F letter grade. If an individual within the group qualifies for a “Religious Holy Days” exemption, he or she must follow the notification procedures described herein so that accommodations can be made to assure the group is able to complete the submission on the date due. You will submit a letter grade in accordance with the grading system listed in this syllabus for each of your fellow team members. Your submission will remain confidential. In rare cases where a team member is not performing to an acceptable standard, the group must notify the instructor well in advance of the due date so that the instructor can address the problem before it negatively affects the remaining members. If necessary, the instructor may remove a member and thus require the individual to submit the required deliverables on his or her own.

For the purposes of organization and accountability, each group will be provided with a meeting minutes template. You will email the completed file on the dates due (labeled in the calendar above as “Minutes”). The first of each meeting prior to a deliverable must contain a listing of each group member’s responsibility. The final grade of your deliverable score will be reduced by at least 10% if you fail to fulfill the meeting requirements. Providing these minutes will assist me in the grading process for the deliverable. Generally, the deliverable grade will be applied equally to all members. However, if it becomes evident that a group member has not contributed in a manner consistent with the other members, a reduced or failing deliverable grade, depending on the circumstances, will be assigned to that member. Each member of the group is required to be in attendance for each meeting and a signature page is provided in the template to confirm. While the minutes you provide are not graded separately, their completeness is considered and will influence the outcome of your group’s deliverable grade.

Attendance
There is high probability of a curve being applied at my discretion. A student that misses more than three classes will not be eligible for any applied curve. If a student enjoyed application of
a curve on an earlier assignment, but subsequently fails to show up to class more than three times, they will forfeit any previously assigned curves and their grade will be returned to the original value. A signature page will be issued at the start of class to confirm attendance. Attendance is required and exceptions are granted only in those cases where the individual follows the guidelines for “Religious Holy Days.” This includes the Final Examination. Please review this schedule carefully as you are committing to these dates and times. It will be your responsibility to accommodate once the semester begins.

Religious Holy Days
University of Texas at Austin policy requires that you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, I will give you the opportunity to complete the missed work within a reasonable time after the absence.

Policy on Scholastic Dishonesty
The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program’s Statement on Scholastic Dishonesty at http://www.mccombs.utexas.edu/BBA/Code-of-Ethics.aspx. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student
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Judicial Services website at http://deanofstudents.utexas.edu/sjs/ to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

**Campus Safety**

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, http://www.utexas.edu/safety/:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform their instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at www.utexas.edu/emergency.

**Students with Disabilities**

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, http://www.utexas.edu/diversity/ddce/ssd/.