

## SYLLABUS

### ECONOMICS / MANAGEMENT 341

### INVESTMENTS AND PORTFOLIO THEORY

SPRING TERM 2009

**INSTRUCTOR:** Dr. Linda L. Ravelle  
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**HOURS:** M,W: 1:00 - 2:00 PM  
T,Th: 10:30 - 11:30 PM  
Also by appointment

**TEXT:** ESSENTIALS OF INVESTMENTS,  
Bodie, Kane & Marcus, 7<sup>th</sup> edition, Irwin/McGraw Hill

**OBJECTIVES:** This semester, you will incorporate the fundamental principles learned in economics, accounting, statistics, and finance into an understanding of the principles and theories of investing and portfolio management. The course uses lectures, class discussions, group and individual projects, and exams to help you develop the critical thinking skills that will help you recognize, describe, and analyze practical investment problems. By the end of the semester you should be able to rationally select and analyze a wide variety of securities, from stocks and bonds to options and futures, and you should be able to construct and revise a portfolio.

**GRADES:** The course grade will be determined by the following formula:

Three Exams	55%
Assignments	15%
Group Projects	20%
Class Participation	10%

**EXAMS:** There are two midterm exams and a final exam. The lowest exam grade is worth 15% of your total grade, and the two highest exam grades are each worth 20%. The exam dates are indicated on the syllabus and will not be changed. Exams consist of problems and essays. The two midterm exam dates are indicated on the syllabus. Makeup exams are only given in EMERGENCY situations, and are significantly different from the scheduled exam. Formulas and tables will be provided, but you must bring a calculator to each exam. You can not share calculators. Cell phones must be turned off and kept out of sight during all exams.

**ASSIGNMENTS:** Assignments for each chapter are listed on the syllabus and will be collected after the chapter is completed, on a due date announced in class. WM stands for Web Master and these assignments include the page (in parentheses) on which these web assignments may be found. Please note that these are internet assignments, and that some of the sites may have changed since the assignments were designed. S&P stands for Standard and Poor's exercises that can be found at the end of the relevant chapter. This list of assignments is tentative. Changes may be made during the semester, but these changes will be announced in class in a timely manner. If you miss class you are responsible for finding out about any changes. Assignments will be graded and those assignments turned in after the class period in which they are due will be penalized one letter grade per day late. Failure to attend class is not a valid excuse for turning in assignments late.

**GROUP PROJECT:** Those assignments listed in **bold** on the syllabus are noted as either group project #1 or group project #2. These assignments are lengthy and should be worked on with a group. You should choose a group of 3 to 5 students for this purpose. If you do not select a group you will be assigned to one. Every member of the group will receive the same grade unless the group can demonstrate that the grade should be distributed in a different manner. Some adjustments may be made to these assignments, but these changes will be announced in advance of the due date.

**PARTICIPATION:** Attendance in this class is required. Please do not disrupt class by arriving late or leaving early. The class participation grade is based upon timely attendance (50%) as well as participation in class discussions (50%). Read the material before you come to class, and bring your textbooks to class. Cell phones must be turned off and kept out of sight during class.

**HONESTY:** All students are expected to adhere to the College's Policy on Academic Honesty as outlined in the Student Handbook. Students who violate the Policy must accept the consequences dictated by this policy. A copy of the policy can be found on the College web site at: <http://www.moravian.edu/studentLife/handbook/academic2.htm>. If you have any questions about this policy, please see me.

**DISCLAIMER:** I will make every effort to cover all material outlined in this syllabus. However, unexpected events may cause the delay or removal of some material. These changes will be announced in class. You are required to come to class, and thus are responsible for keeping up with these changes.

DATE	TOPIC	CHAPTER	ASSIGNMENTS
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Jan 20	Investments: Background and Issues	1	WM (12)
22	Asset Classes and Financial Instruments	2	WM (54)
27	Securities Markets	3	WM (88)
29			
Feb 3	Mutual Funds and Other Investment Companies	4	WM (114)
5	Risk and Return	5	WM (121), (146) S&P
10			
12	Efficient Diversification	6	WM (160), (188) <b>S&amp;P (Group Project #1)</b>
17			
19	EXAM I		
24	Capital Asset Pricing	7	WM (208), (229) <b>S&amp;P (Group Project #1)</b>
26			
Mar 3	SPRING BREAK		
5	SPRING BREAK		
10	Efficient Market Hypothesis	8	WM (247)
12	Behavioral Finance and Technical Analysis	9	Handout
17	Bond Prices and Yields	10	WM (319), (331)
19	Managing Bond Portfolios	11	WM (366), S&P

DATE	TOPIC	CHAPTER	HOMEWORK
24			
26			
31	EXAM II		
Apr 2	Macroeconomic and Industry Analysis	12	WM (385), (399) <b>S&amp;P (Group Project #2)</b>
7			
9	Equity Valuation	13	WM (423), (441) <b>S&amp;P (Group Project #2)</b>
14			
16	Financial Statement Analysis	14	WM (452), (476) <b>S&amp;P (Group Project #2)</b>
21	Options Markets	15	WM (498), (514) S&P
23	Option Valuation	16	WM (529), (551) S&P
28	Futures Markets and Risk Management	17	WM (565), (584)
30	Performance Evaluation and Active Portfolio Management	18	WM (596), (619)
May 7	FINAL EXAM		1:30 PM