

SYLLABUS

ECON / MGMT 341

INVESTMENTS AND PORTFOLIO THEORY

SPRING TERM 2011

INSTRUCTOR: Dr. Linda L. Ravelle
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HOURS: M,T,W: 9:00 - 10:00 AM
Also by appointment

TEXT: ESSENTIALS OF INVESTMENTS,
Bodie, Kane & Marcus, 8th edition, McGraw-Hill/Irwin

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 essay questions. The exam dates are indicated on the syllabus and will not be changed. 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 cannot 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 the Web Master assignments found at the end of each chapter. Please note that these are internet assignments, and that some of the sites may have changed since the assignments were designed. I will try to update the information as much as possible. If you do run into problems accessing the sites please let me know as soon as possible. Please print out results rather than just discussing them. 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 PROJECTS: 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 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. Frequent tardiness or leaving early will result in a reduced participation grade. 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 (Academic Life/Academic Honesty at Moravian College). Please review this section of the handbook so that you are familiar with the policy and with the consequences of violating the policy. If you have any questions about this, please see me.

OTHER: 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.

Students who wish to request accommodations in this class for a disability should contact Mr. Joe Kempfer, Assistant Director of Learning Services for Disability Support, 1307 Main Street (extension 1510). Accommodations cannot be provided until authorization is received from the office of Learning Services.

DATE	TOPIC	CHAPTER	ASSIGNMENTS
Jan 18	Investments: Background and Issues	1	WM
20	Asset Classes and Financial Instruments	2	WM
25	Securities Markets	3	WM
27			
Feb 1	Mutual Funds and Other Investment Companies	4	WM
3	Risk and Return	5	WM, S&P
8	Efficient Diversification	6	WM S&P (Group Project #1)
10	Capital Asset Pricing	7	WM S&P (Group Project #1)
15			
17	EXAM I		
22	Efficient Market Hypothesis	8	WM
24	Behavioral Finance and Technical Analysis	9	WM, S&P
Mar 1			
3	Bond Prices and Yields	10	WM, S&P
8	SPRING BREAK		
10	SPRING BREAK		
15	Managing Bond Portfolios	11	WM, S&P
17			
22	Macroeconomic and Industry Analysis	12	WM S&P (Group Project #2)

DATE	TOPIC	CHAPTER	HOMEWORK
24			
29	EXAM II		
31	Equity Valuation	13	WM S&P (Group Project #2)
Apr 5			
7	Financial Statement Analysis	14	WM S&P (Group Project #2)
12	Options Markets	15	WM, S&P
14	Option Valuation	16	WM, S&P
19			
21	Futures Markets and Risk Management	17	WM
26	Performance Evaluation and Active Portfolio Management	18	WM (607)
28			
May 5	FINAL EXAM		8:30 AM