

MORAVIAN COLLEGE
DEPARTMENT OF ECONOMICS AND BUSINESS
ECON/MGMT 341: Investment and Portfolio Management
Spring Term 2016

Instructor: Dr. Linda L. Ravelle
Office: Comenius 217
Office Phone: 861-1453
Email: mellr01@moravian.edu

Hours: M, W, F: 10:30 - 11:30 AM
Also by appointment

Text: *Essentials of Investments*, Bodie, Kane & Marcus, 9th edition,
McGraw-Hill/Irwin

Recommended: You should read the financial news regularly. Good free online sources are *bloomberg.com*, *money.cnn.com*, and *reuters.com*. *The Wall Street Journal* (online.wsj.com) is also good but free material is limited. Reeves Library subscribes to *The Wall Street Journal*.

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, assignments, 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. This course is writing-intensive, and you will learn how to write in a manner that will enhance the decision-making process.

Grades: The course grade will be determined by the following formula:

Exams	50%
Assignments	20%
Project	10%
Journal	10%
Class Participation	10%

Exams: There are two midterm exams and one final exam. The two lowest exam grades each make up 15%, and the highest exam grade makes up 20%, of your total grade. Exams consist of problems and essays. 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. The abbreviations refer to Problem Sets (PS), CFA Problems (CFA), and Web Master (WM) questions that appear at the end of each chapter. Some of the web addresses or instructions described in the Web Master assignments may have changed since the assignments were written. I will provide updates in class but if you have trouble completing the assignment please let me know as soon as possible so that I can notify the class.

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. Missing assignments will receive a zero, which can have a significant impact on your course grade. If you have questions about any assignment please see me or email me with your questions, but do so before the assignment is due.

Changes to assignments may be made during the semester and these changes will be announced in class. If you miss class you are responsible for finding out about any changes.

Project: A description of the project will be distributed in class.

Journal: During the semester you will keep a journal of current events that are relevant to investors. This should include announcements of economic indicators, news about the economy, industries, companies, commodities and markets. You should make note of the date and source of the news and the reaction of the markets to the event. Please write all journal entries in your own words. You should be prepared to discuss these events in class.

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. You are expected to keep up with current events and this will be incorporated into class discussions. Cell phones must be turned off and put away 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. If you have any questions about this policy, please see me.

Disabilities: Students who wish to request accommodations in this class for a disability should contact the Academic Support Center, located on the lower level of Monocacy Hall, by calling 610-861-1401, or by emailing disabilitysupport@moravian.edu. Accommodations cannot be provided until authorization is received from the Academic Support Center.

Caveat: This syllabus is subject to change, as announced in class.

DATE	TOPIC	CHAPTER	ASSIGNMENTS
Jan 18	Investments: Background and Issues	1	
20	Asset Classes and Financial Instruments	2	PS: 3, 7, 12, 21, 22; WM: 2
25	Securities Markets	3	PS: 12, 15, 16, 18, 19
27			
Feb 1	Mutual Funds and Other Investment Companies	4	PS: 11, 13, 15, 16, 17 WM: 1, 2, 3
3	Risk and Return	5	PS: 5, 6, 7, 12-16
8			
10	Efficient Diversification	6	PS: 8-12; WM: 4
15			
17	EXAM I		
22	Capital Asset Pricing	7	PS: 3, 4, 5, 12 CFA: 2, 3, 7, 8
24			
29	Efficient Market Hypothesis	8	PS: 18, 24 CFA: 7, 9; WM: 2
Mar 2	Behavioral Finance and Technical Analysis	9	PS: 2, 3, 4, 5, 12, 13 CFA: 5; WM: 2
7, 9	SPRING BREAK		
14	Bond Prices and Yields	10	PS: 4, 5, 9, 12, 14, 23, 24 CFA: 2, 5
16	Managing Bond Portfolios	11	PS: 1, 4, 8, 10; CFA: 2, 8, 11
21			

DATE	TOPIC	CHAPTER	ASSIGNMENTS
Mar 28	EXAM II		
30	Macroeconomic and Industry Analysis	12	PS: 1, 2, 4, 5, 10, 13, 14, 19
Apr 4			
6	Equity Valuation	13	PS: 4, 7, 10, 12-14, 20 CFA: 1, 4
11			
13	Financial Statement Analysis	14	PS: 4, 12, 14; CFA 4, 5
18	Options Markets	15	PS: 5, 6, 10, 12, 15, 18; WM: 1, 2
20	Option Valuation	16	PS: 8, 9, 16, 30, 37; WM: 2
25	Futures Markets and Risk Management	17	TBA
27	Performance Evaluation and Active Portfolio Management	18	TBA
May 3	FINAL EXAM		3:00 – 5:00 PM