



**Class Hours**            Online through D2L (Desire2Learn)

**Contact Information**

Instructor:            Adam Y.C. Lei, Ph.D., CFA  
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Office Hours:         Please contact Dr. Lei through email

**Course Materials**

Required:

- 1) Course Material (available through D2L), and
- 2) *Essentials of Investments*, 12e, by Zvi Bodie, Alex Kane, and Alan Marcus, McGraw-Hill/Irwin. ISBN: 978-1260772166. [Web Link](#) for students choosing the eBook option (only the textbook is required; we do not need the publisher's Connect access).

Recommended:       The Wall Street Journal.

**Course Prerequisites**

Junior standing or above or consent of the chair; BUAD 3033 and FINC 3733. Must earn a C or higher in FINC 3733.

**Course Description**

Characteristics and valuation of investment instruments including common stocks, bonds, and options; function and efficiency of securities markets; diversification and portfolio theory.

**Other Requirements**

- 1) Each student registered in this course is required to have the access to a modern personal computer, laptop, or other electronic device that is capable of playing video files in the MP4 format, and opening PowerPoint files, PDF files, and Excel files. A reliable broadband internet connection is also required for downloading the course material and taking the exams. Each student should download his/her own course material for D2L tracking purposes, and no technical problem at a student's end will be considered for grading purposes.

- 2) Each student should have a calculator capable of calculating the time value of money (a financial or scientific calculator will do). A student is expected to be familiar with the functions of his/her own calculator.

### **Course Objective**

#### *A. General Learning Goals:*

Upon successful completion of this course, students should:

- 1) Demonstrate problem solving and decision making abilities through the critical analysis, evaluation, and interpretation of business information.
- 2) Demonstrate a competency in speaking and writing for common business scenarios.
- 3) Have an understanding of the influence of global and multicultural issues on business activities.

#### *B. Course Specific Learning Goals:*

Upon successful completion of this course, students should have developed the understanding of:

- 1) The investment environment in the United States.
- 2) The characteristics and valuation of securities including stocks, bonds and options.
- 3) Asset pricing theories.
- 4) The efficiency of securities markets and its implications.
- 5) Theory and practice of portfolio management.

### **Grading and Evaluation**

#### **Course Grading:**

<b>Component</b>	<b>Percentage</b>
Course Information Quiz	2%
Midterm Exam I	31%
Midterm Exam II	31%
Final Exam	31%
Participation	5%
<b>Total</b>	<b><u>100%</u></b>

<b>Numerical Grade</b>	<b>Meaning</b>	<b>Letter Grade</b>
90 to 100	Excellent	A
80 to 90	Good	B
70 to 80	Satisfactory	C
60 to 70	Passing	D
Below 60	Failing	F

Exam grades will be posted on D2L under Gradebook after each exam. Grade adjustment, if any, will be announced on D2L after an exam is closed. All grades are firm and nonnegotiable. There is no rounding in grades, and there are no bonus points at the end of term. To maintain the fairness to the entire class, the same grading criteria will be applied to every student, and no personal reason will be considered for grading purposes.

### **Course Information Quiz:**

The course information quiz consists of 10 multiple-choice questions on information contained in this syllabus and the document "Course Map and Instructions," both available on D2L under the content module "Course Information." *The quiz is available on D2L under the "Assessments" and then "Tests" tabs from 12:00 am U.S. central time on **July 5, 2022 (Tuesday)** to 06:00 pm U.S. central time on **July 9, 2022 (Saturday)**.* The quiz has a continuous 60-minute time limit once it starts, and the time limit cannot be interrupted. The quiz can only be taken once, and it must be saved/submitted by 06:00 pm on **July 9, 2022 (Saturday)**. There is no make-up quiz after the quiz ends, and this quiz is worth two points toward the semester grade (each quiz question is worth 0.2 point).

### **Exams:**

There will be two midterm exams and one final exam during this term. The exams are non-comprehensive, but often the coverage of a later chapter would require the knowledge from earlier chapters. *An exam will be available online through D2L from 12:00 am U.S. central time on the exam open date to 04:30 pm U.S. central time on the exam close date (please see the end of this syllabus for the exam dates).* Each of the two midterm exams consists of 40 multiple-choice questions (each question is worth 2.5 points) and has a continuous 90-minute time limit once the exam starts. The final exam consists of 40 multiple-choice questions (each question is worth 2.5 points) and has a continuous 120-minute time limit once the exam starts. The time limits of the exams cannot be interrupted. *In addition, each exam can only be taken once, and it must be saved/submitted by 06:00 pm on the exam close date (i.e., a student wishing to use the entire allowed time for the final exam should start the exam before 04:00 pm on the exam close date).* Unsaved/unsubmitted exams by 06:00 pm on the exam close date will have an exam grade of zero. To prevent cheating, the exam questions and the order of choices in a question are randomized. Different students may also get different questions of the same difficulty level in each exam. Students are not allowed to capture the exam questions by any means while taking an exam. Collaboration between/among students while taking an exam is considered cheating and is prohibited. For instructions on how to take an online exam through D2L, please refer to the document "Taking Exams on D2L," available on D2L under the content module "Course Information."

The exams must be taken as scheduled and no student will be exempt from any exam. *There is no make-up exam in this course after the fact, and students missing an exam at the scheduled time without prior consent from the instructor will receive an exam*

*grade of zero for the specific exam.* The D2L record of an exam attempt serves as the official record of whether a student takes the exam as scheduled. Students with valid excuses or authorized absences due to required participation in university-sponsored activities (please see Midwestern State University Undergraduate Catalog for the definition) should make prior arrangements with the instructor to take the exam at an alternative time. A valid excuse for exam purposes is defined as an *unforeseeable, proved, and documented* event that prevents the student from taking the exam as scheduled, and such event is deemed acceptable by the *instructor*. *Personal reasons and technical problems at a student's end will not be considered a valid excuse for a missed or an incomplete exam. Misreading, forgetting, or inattention to the exam dates and time specified in the syllabus will not be considered a valid excuse for a missed exam. No illness-related excuses will be accepted unless a student has a doctor's note or is a hospital inpatient during the scheduled exam time.* In the case of a valid excuse, the instructor must be notified of the excuse *before* the scheduled exam opens and the document justifying the excuse must be turned to the instructor within one week from the exam. A student failing to notify the instructor the excuse before the scheduled exam opens or not providing the document justifying the excuse in time will receive an exam grade of zero for the specific exam.

### **Participation:**

A student's participation grade depends on whether the student follows the class rules and instructions as specified in the course documents and/or announced on D2L. A student loses one point in the participation grade for each violation of class rules and instructions. It is a student's responsibility to know the class rules and instructions.

### **Instructor Drop:**

Per the Midwestern State University Undergraduate Catalog:  
*An instructor may drop a student any time during the semester for excessive absences, for consistently failing to meet class assignments, for an indifferent attitude, or for disruptive conduct. The instructor must give the student a verbal or written warning prior to dropping the student from the class. An instructor's drop of a student takes precedence over the student-initiated course drop of a later date. The instructor will assign a grade of either WF or F through the first 9 weeks of a long semester, the first 6 weeks of a 10 week summer term, or the 12th class day of a 4 or 5 week summer term consisting of 20 days. After these periods the grade will be an F. The date the instructor drop form is received in the Office of the Registrar is the official drop date.*

Students who fail to meet class assignments, show indifferent attitudes, or reveal disruptive conducts will be given warnings each time such instance occurs. Students with more than two warnings will be dropped from this course with a failing semester grade.

## **Other Course Policies**

- 1) Please refer to the document “Course Map and Instructions,” available on D2L under the content module “Course Information,” first for further guidelines to this course.
- 2) The instructor cannot provide technical supports to a student’s hardware/software problems other than making sure that the provided course material is in working order. For problems related to D2L, please check the [MSU Distance Education Website](#) or contact the University through the [Online Problem Reporting System Web Link](#).
- 3) Students have the responsibility to check regularly the course pages on D2L for new postings and course material. New material for the coverage of each exam will be available over time.
- 4) *Redistribution of any course material provided by the instructor in any form outside this class constitutes copyright infringement and is prohibited.*

## **Academic Integrity**

Students shall follow the “Student Honor Creed” in the Midwestern State University Undergraduate Catalog. A student who commits academic dishonesty is subject to conduct sanctions (please refer to the Midwestern State University Student Handbook for the definitions of Academic Dishonesty, Conduct Sanctions, and Academic Misconduct Procedures).

## **Americans with Disabilities Act**

This course follows the university policies and guidelines suggested by the Disability Support Services Office for qualified students. Students are referred to the Midwestern State University Undergraduate Catalog for details.

## **Campus Carry Policy**

Senate Bill 11 passed by the 84th Texas Legislature allows licensed handgun holders to carry concealed handguns on campus, effective August 1, 2016. Areas excluded from concealed carry are appropriately marked, in accordance with state law. For more information regarding campus carry, please refer to the University’s webpage at [Campus Carry Rules/Policies Web Link](#).

## **Syllabus Change Policy**

This syllabus is a guide for this course and is subject to change with advanced notice.

## **References**

Midwestern State University Student Handbook: [Student Handbook Web Link](#)  
Midwestern State University Undergraduate Catalog: [Undergraduate Catalog Web Link](#)

## **Course Content and Outline**

### ***I. Elements of Investments***

Chapter 1: Investments: Background and Issues

Chapter 2: Asset Classes and Financial Instruments

Chapter 3: Securities Markets

Chapter 4: Mutual Funds and Other Investment Companies

### ***II. Portfolio Theory***

Chapter 5: Risk, Return, and the Historical Record

Chapter 6: Efficient Diversification

Chapter 7: Capital Asset Pricing and Arbitrage Pricing Theory

Chapter 8: The Efficient Market Hypothesis

### ***III. Debt Securities***

Chapter 10: Bond Prices and Yields

Chapter 11: Managing Bond Portfolios

### ***V. Derivative Markets***

Chapter 15: Options Markets

Chapter 16: Option Valuation

## Course Schedule and Exam Dates

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		July 5 Exam I Coverage	6	7	8	9
10	11	12	13 Exam I Open	14 Exam I Close	15 Exam II Coverage	16
17	18	19	20	21	22	23 Exam II Open
24 Exam II Close	25 Final Exam Coverage	26	27	28	29	30
31	August 1	2	3 Final Exam Open	4 Final Exam Close		

**Exam I Coverage:** Chapter 1, 2, 3, 4, and 5

**Exam II Coverage:** Chapter 6, 7, 8, and 10

**Final Exam Coverage:** Chapter 11, 15, and 16

**Exam I:** July 13 (Wednesday), 12:00 am to July 14 (Thursday), 04:30 pm

**Exam II:** July 23 (Saturday), 12:00 am to July 24 (Sunday), 04:30 pm

**Final Exam:** August 3 (Wednesday), 12:00 am to August 4 (Thursday), 04:30 pm