Investment Management: BUS-334
Course Syllabus—Spring 2013

Instructor: Stephen P. Huffman, Ph.D., CFA, FRM
Class Times: Tuesday/Thursday 8:00 am to 9:30 am for section 001 Sage Hall 4234
Tuesday/Thursday 9:40 am to 11:10 am for section 002 Sage Hall 4234
Office Location: Sage Hall 2485
Office Hours: By appointment—use e-mail to make arrangements (24 hour notice)
Office phone: (920) 424-7202, leave voice messages at (920) 424-1215
E-mail address: huffman@uwosh.edu
Connect web site: http://connect.mcgraw-hill.com/class/s_huffman_334_spring_2013

Common Finance Course Assessment Objectives—Students will be able to:
• Explain and apply basic concepts of finance (e.g., risk and return)
• Analyze and interpret financial data (e.g., price-to-earnings ratio)
• Demonstrate knowledge of investment management (e.g., asset allocation)

Primary Learning Objectives of this course are for each student to be able to:
• Describe the current global business and investment environment and the impact of currency rates, interest rates, politics, culture, ethics and human behavior on investment decisions
• Obtain and interpret investment information from various sources
• Demonstrate a basic understanding of various investment vehicles: common stock, fixed income securities (e.g., bonds and preferred stock), derivative securities (e.g., options, futures and swaps) and pooled investments (e.g., mutual funds and exchange traded funds, ETFs)
• Demonstrate an understanding of the basic option strategies and their use in risk management
• Diagram basic option positions/strategies (e.g., straddles)
• Understand the process of developing investment strategies for individuals and institutions
• Explain the operations of security markets (e.g., primary versus secondary markets)
• Evaluate the performance of a portfolio
• Relate financial theories to current market conditions (e.g., efficient market theory)

Required Materials (price could be different from what stated below)
• Text—Bodie, Z., Kane, A. and Marcus, A., Investments, 9th ed. (McGraw-Hill, 2011) and Connect (publishers online material). I recommend that you purchase the softcover version, which is at the bookstore with the ISBN of 9780077680473 for $181.25 (price from fall term) listed as MCG Custom and Investments w/Connect Plus, which includes an electronic version of the text and the required homework manager. Alternatively, an “All-Digital Version” is available for $118 directly from the publisher (see register for Connect below). Alternatively, a used text with an ISBN of 9780073530703 could be purchased (from anywhere); however, Connect Plus would still need to be purchased for a cost of $49.99. Don’t
• Register for Connect at: http://connect.mcgraw-hill.com/class/s_huffman_334_spring_2013 (you should also be able to buy the electronic version of the text from this site).
• Financial Calculator—Each student’s calculator must be able to perform time value of money computations. Students are responsible for knowing how to use their financial calculator.
• Additional materials may be distributed on the course’s D2L site, in class, and/or via e-mail.
**Course Expectations**—Students are expected to have a basic understanding of:
- Basic finance concepts (e.g., time-value-of-money, risk and return, bond valuation, net present value, etc.—topics from BUS 331)
- Fundamental business and economic concepts (e.g., types of business entities, marginal cost, marginal revenue, etc.—topics from ECON 204 and ECON 206)
- Accounting (topics from BUS 204)
- Mathematics (topics from MATH 204 and MATH 206)
- Statistics (topics from ECON 210 and BUS 389).

**Course Work** activities require the use of a financial calculator and spreadsheets (i.e., topics and skills from BUS 389). Students who are not deficient in the areas mentioned above can expect to spend at least 6 hours per week preparing for the course. Students who are deficient in one or more areas mentioned above will need more time to prepare for class.

**Investment Management is not a remedial course**—Extra credit is not issued to individual students, and I usually do not curve grades on quizzes or exams. I attempt to be fair and consistent when administering the policies found in this syllabus; however, I do expect students to have read the syllabus and to adhere to the policies found in it. As part of each student's course grade, I subjectively evaluate each student’s contribution to the class and evaluate his/her understanding of the course material based on communication between the student and me. It is essential that each student comes to class prepared in order to obtain full benefit from the class discussions, activities, and lectures. I expect students to bring their textbooks to every class.

**Grading Criteria, Policy, and Important Dates:**
- 25% Exam I in Testing Center, Thursday, February 28 or Friday, March 1
- 25% Exam II in Testing Center, Thursday, April 11 or Friday, April 12
- 25% Exam III in class, Thursday, May 9
- 15% Homework and quizzes (on-line and in-class, announced and unannounced)
- 8% Contribution (subjective grade—see explanation below)
- 2% Attendance (see explanation below)

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**Grading Policy:**
Student can contest grades within two weeks of the posting of the grade on D2L. Students are responsible for verifying that the scores recorded in D2L are correct—after two weeks, I will not change the recorded score. Most of the testing instruments will not be reviewed in class or returned. However, exams, quizzes and other grade materials are available for review in my office.
Examinations—Three exams are given during this course.

- The exams will consist of a combination of objective questions and short answer questions.
- During the exams, students will be able to use a calculator, a foreign language dictionary (if needed) and one 3”x5” index card (if exam is taken when scheduled) failing grade will be recorded for a missed exam.
- Requests to take the exam early because of a legitimate conflict should be made at least five week days prior to the scheduled exam date (however, students are NOT allowed to use an index card when they take an exam outside of the regularly scheduled time, regardless of the reason for taking the exam outside of the regularly scheduled time).
- There are no restrictions on what can be on the 3”x5” index card (front and back are permitted). The only rule is that the notes must be hand written and include the student’s name. Computer generated or photocopied notes will be considered cheating and will earn a zero on the exam.
- Each student must turn in his/her index card along with all other exam materials. A student’s failure to turn in his/her index card, with his/her name written on it, will result in the student being prohibited from using an index card on the next exam.
- I reserve the right to disallow the use of the index card for an individual student, a course section, or all students enrolled in the course. The following are examples of class events that will result in revoking the use of an index card during an exam: phone ringing, texting in class, leaving the class for no apparent reason, excessive talking to other students during a lecture, lack of participation during lectures, reading material not related to the class (especially the Bogle book), etc.
- Students who turn in the wrong size index card will receive a 20 percentage point deduction from their exam grade for the first offense, and will receive a zero on the exam for the second or more offenses.
- I reserve the right to inspect calculators for stored text, formulas and/or data.
- Phones are not allowed to be used during exams (or other graded activities).
- I deduct 5% (on a 100 point scale) from a student’s exam for each missing name, student id or exam form letter on the scan sheet. I also deduct 5% for each missing name on an exam or index card.
- I deduct 1 point for each minute over the 90 minute time limit when taking exams in the testing center. Students with documented special needs are exempt from this policy; however, they must provide documentation to the instructor from the Dean of Students, at least one week prior to the first exam.
- I usually have at least 105 possible points on each exam, which are graded on a 100 point scale. The 10 extra points compensate for a number of issues, including: missing class due to illness (lost points on homework and/or attendance), having points deducted for missing name, etc., and test question(s) that may not seem to correspond with the text or lecture.

Attendance: A student’s attendance grade is based on the proportion of the non-exam classes he/she attends. For Tuesday/Thursday classes 4.0% is deducted for each missed class period. I realize that issues do arise during the term; therefore, each student will be issued 105 points (on a 100 point scale) at the beginning of the course. For example, if a student misses 2 classes, the student would earn 97% (105% – 8%) for the attendance portion of the overall grade. Although the attendance portion of the overall grade is small, there are other consequences for failing to attend a class (i.e., a missed in-class quiz, inability to contribute to the class and coverage of material that is not in the text, but is on an exam).
Contribution to the course and Instructor's Professional Evaluation—The contribution grade is more than just attending class. Students are required to be prepared and alert during all class meetings. Students who arrive late for class and those who leave during class are disruptive to the overall learning environment. Any lack of effort on any course requirement or detraction to the learning environment will be reflected in the contribution grade. The contribution grade is the professor's subjective evaluation of how well a student knows the course material and how the student used that knowledge to improve the learning environment of all students.

Students can make a contribution to the course in a number of different ways, including:
- asking relevant questions about a course topic (e.g., how a topic relates to a current event)
- volunteering to answer questions from the professor addressed to the class
- correctly answering a question from the professor addressed to the student
- answering questions from other students addressed to the professor
- asking a relevant question about a course topic by e-mail or during the professor's office hours
- providing the professor with a current article on a course topic

Contribution grades are not assigned until grades from all course requirements are completed. I review the scores of each course requirement and my notes on what each student did (or did not do) during class and determine the impact that each student had on the class. I then make a subjective determination of each student’s contribution grade. In D2L, students will find a value 60% has been recorded as a proxy of a student’s contribution grade. I suggest students use this value to estimate what their score needed to be on the last exam to receive an overall grade of “x.” However, the contribution grade can be higher or lower than 60% depending on my subjective performance of their performance and understanding of course material.

Homework and quizzes (in-class and on-line)—These are combinations of activities including: the text’s Connect web site, activities that I have designed, short in-class quizzes (mostly unannounced) and some additional assignments (TBD). There is at least one Connect quiz for each chapter in the text that is covered in class (about 17 on-line quizzes). During the fall of 2012, there was 16 online quizzes and 14 in-class quizzes. The lowest of the scores in this category will be dropped. I will provide more information about each of these items in class.

Other Opportunities:
- Finance Club—Students should be active in clubs related to their future careers. Clubs provide opportunities to interact and network with business professionals.
- Internships—Watch for listings on the college’s web page. I usually receive requests from employers for interns/jobs. I forward these to students who I think are qualified.
- College Scholarships—Check the college’s web site.
- CFA Exam Scholarships—As a professor with a CFA designation, I can grant up to five scholarships to take level I of the CFA exam (over $800 cost savings).
- Student-Endowment Fund Management, SMEF, Program course—BUS 438 is a 3 credit finance seminar offered each fall, spring, and summer (on-line) semester in the Sage Hall Trading Room. Current students will make a presentation about the program to our class during the term. Watch for e-mails detailing the application process. Participation in the SMEF program is required for one of the department scholarships.