Investment-Portfolio Theory
FINA 5340 (modified 7/23/13)

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Office Hours:  M 3-7 T Online 6-8.  By appointment.  Times are subject to change. Drop-ins are welcome if I am available.

Required Materials:
2.   A. Additional Required Reading
    Jim Cramer's Real Money: Sane Investing in an Insane World
    B. Selected reading (choices from):
    Jim Cramer's Mad Money: Watch TV Get Rich
    Jim Cramer’s Stay Mad for Life (ISBN 1-4165-5885-3)
    Harvey Mackay How to swim with the sharks without being Eaten Alive
    Robert Kiyosaki Rich Dad Poor Dad (ISBN 0-446-67745-0)
    Dave Ramsey The Total Money Makeover (ISBN 0-7852-8908-9)
3.   Internet Access
4.   Financial Calculator – TI BAII Plus

Course Description:
A study of the financial markets, security evaluation, efficiency of markets, investment goals, and portfolio selection. Professional investment management techniques are examined in the context of modern portfolio theory. A unified systems approach is adopted for investment selection and control.

Prerequisites:
FINA 5311

Learning Objectives
Students will be able to understand and apply findings from selected research on:
   1. Mutual funds
   2. Asset allocation and portfolio management
   3. Tax issues related to mutual funds and wealth accumulation
   4. Consumer choice in investment and retirement accumulation

Relationship to Other Coursework:
This course provides an introduction to investment management issues, which complement the broader financial management issues discussed in FINA 5320. An understanding of the investment concepts is also useful for understanding related finance concepts including corporate finance, international finance, financial statement analysis and life in general.

**Instructional Methodologies:**
Instructional techniques include lectures, student presentations, invited lectures, videotape, computer applications, class discussion, real-time securities trading, and use of electronic databases.

**Performance Evaluation and Grading:**
Two tests and a final exam will be given. The final exam may be cumulative. Test materials will come from lecture notes, the text, assigned readings, homework, and class discussion. Test format is primarily problem solving and essays. Questions will emphasize understanding and application of concepts and topics covered.

Students will prepare a written project. To facilitate student mastery of financial concepts, problems will be assigned following discussion of each major topic area. A semester project is required and outside readings may be assigned. Students should prepare for class meetings by studying the assigned text materials and preparing problems and other assignments prior to class.

**Grades will be assigned based on the following weights:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Tests (each)</td>
<td>35%</td>
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<tr>
<td>Final Exam (optional – replaces low test grade)</td>
<td>35%</td>
</tr>
<tr>
<td>Semester Project</td>
<td>20%</td>
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<tr>
<td>Quizzes</td>
<td>10%</td>
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</tbody>
</table>

Tentative test dates are listed on this syllabus, and they are unlikely to be changed. Should circumstances make it necessary, changes in exam dates will be announced in class. Should classes be cancelled on a test date, the next class date scheduled will be the exam date. No make-up exams will be administered. If you must miss an exam, notify me in advance and provide me subsequent comprehensive documentation from the appropriate entity within one week of the exam that the absence was an excused University activity, a severe illness, or a dire emergency. If these conditions are met, your score on a comprehensive final exam will be substituted for the exam you missed. Otherwise, I will assign you a zero for the exam.

Exams are closed book unless otherwise stated. To protect the integrity of the test banks employed, exams will not be returned. However, exams are available for review in my office during scheduled office hours for two weeks after the exam.

Students are responsible for all material in the assigned readings, handouts, homework, and class presentations. Furthermore, students are expected to attend class on a regular basis. However, in the event of an absence, students are responsible for obtaining all missed information and notes from a classmate.

All assignments are to be turned in at the beginning of the class on their due date unless otherwise instructed. Late assignments are penalized 20 percentage points for each day that they are late.

I expect everyone to follow all rules of common courtesy during classroom lecture and discussion. The presence of cell phones and pagers as well as other disruptive items or actions are prohibited in the classroom.

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classroom. If the disruptive or inappropriate behavior persists, action will be taken to have the party removed from the course.

While the projects and required readings are worth no more than 15% each, they are not optional. Failure to complete these projects or required readings will result in a failing grade in the class.

**Oral and Written Communication Requirements:**
Students are required to prepare a formal written project for the semester. Effective written communication is also necessary for exams. Students are expected to participate actively in class discussion of the topics and issues covered in the course.

**Technological Applications:**
Students are required to use computer applications, computer databases, and online information services for this course. As discussed below case analyses must be performed using electronic spreadsheet. Written presentation must be prepared with word processing software. Use of computer graphics and computer-based audio-visuals is encouraged. Some portions of the project require the use of computer databases and online information services.

**Ethical Perspectives:**
Ethical issues such as wealth expropriation, socially conscious operations, and insider trading are discussed. Agency and other stakeholder conflicts are briefly explored.

**Global Perspectives:**
As even small to mid-size firms are now involved in multinational trade and operations, corporate finance is a global activity. While we have a separate course for international finance, this course introduces international trade, foreign equity and debt issue, foreign currency trading, and international risk management.

**Political, Social, Legal, Regulatory, and Environmental Perspectives:**
The course will consider the structure, regulation, influence, and role in corporations and markets of a variety of governmental and social entities including by not limited to the SEC, CFTC, NASD, Federal Reserve, US Congress, EPA, Department of Labor, and the President of the United States.

**Attendance Policy**
I do not take roll on a regular basis. Regular class attendance is expected and you are responsible for EVERYTHING covered in class whether or not it is in your text. Furthermore, experience has shown that regular attendance is essential to successful completion of any course.

**Time**
Success in this class depends on your ability to correctly work the exam problems. The best way to accomplish this is to practice the sample problems and work the problems at the end of the chapter. A general rule of thumb is that the student should expect to spend at least 3 hours of personal study time for each hour of class instruction.

**Academic Honesty:**
Honesty is expected. Any student who is cheating will be referred to the Dean and will at a minimum receive an “F” for the course.
Please refer to the Texas A&M University – Corpus Christi Student Handbook for a full description of the University policy for academic integrity and honesty.

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Semester Project
The semester project involves the collection and analysis of firm data and the subsequent creation of a report containing this analysis. Student grades will be a function of the form and content of the analysis. All written projects should be typed in the neat and professional format presented by the instructor.

Stock Trading Project
The investment project involves tracking a group of investments for at least four weeks during the course.

Americans with Disabilities Act Compliance:
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Disability Services Office at (361) 825-5816 or visit the office in Driftwood 101.

If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

Policy on the Use of Personal Technology in the Classroom
Students may not use personal technology devices in the classroom without the permission of the instructor. Such devices include mobile email devices, smartphones, mobile phones, iPODs, iPads, laptops and similar technologies. These items may be brought to class, but they may be taken out and used by students only with the instructor's specific direction to do so and for purposes of achieving the learning objectives of the course. Notes may be taken using paper and pen/pencil, and students may type (word-process) notes outside of class time if they wish to do so. All mobile phones must be turned off during class. Any student who fails to follow these guidelines will be asked to leave class. A second incident of the student continuing to disrupt class by using these devices will result in a one letter grade reduction in the course grade. Exceptions will be made in the case of students who need personal technology devices in order to learn course content due to documented disabilities (e.g.: visual or auditory disabilities).
Fall 2013 Tentative Schedule
**Schedule:**

<table>
<thead>
<tr>
<th>Week of</th>
<th>Chapters</th>
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<tbody>
<tr>
<td>September 9</td>
<td>Ch1, The Little Book That Beat the Market</td>
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<tr>
<td>September 16</td>
<td>Ch 2</td>
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<tr>
<td>September 23</td>
<td>Ch 2</td>
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<tr>
<td>September 30</td>
<td>Ch 3 Real Money</td>
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<td>October 7</td>
<td>Ch 3</td>
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<tr>
<td>October 14</td>
<td>test 1</td>
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<tr>
<td>October 21</td>
<td>Ch 4 selected reading discussion</td>
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<td>October 28</td>
<td>Ch 4</td>
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<td>November 4</td>
<td>ch 5</td>
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<td>November 11</td>
<td>Ch 5</td>
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<tr>
<td>November 18</td>
<td>Ch 6 Stock Selection Handbook</td>
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<td>November 25</td>
<td>Ch 6</td>
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<tr>
<td>December 2</td>
<td>Test 2</td>
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<tr>
<td>December 9</td>
<td><strong>Project due, Project Presentation</strong></td>
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This is a tentative schedule, but every effort will be made to adhere to it. Students are required to read the chapters before the class date that the chapters are covered.