INVESTMENTS SYLLABUS

COURSE NUMBER: MBA720
COURSE TITLE: Investments
CREDITS: 3 credits
PREREQUISITES/COREQUISITES: None
FOR WHOM PLANNED : This course is an elective class for MBA students.

INSTRUCTOR INFORMATION:

Instructor: Dr. Dayong Huang
Room: 338 Bryan
Phone: 336-256-0124
Email: d_huang@uncg.edu
Office Hours: Tuesday and Thursday 10:00-11:30 p.m. or by appointment

CATALOG DESCRIPTION:

We will explore theories and applications related to modern portfolio theory, asset allocation, asset pricing, stock return predictability and financial market anomalies, fixed income pricing, and security analysis.

STUDENT LEARNING OUTCOMES

Upon successful completion of this course students will be able to:

1) Create portfolios that maximize portfolio expected returns for given portfolio volatilities.
2) Analyze the development in asset pricing theories for asset allocation.
3) Assess the evidences on whether stock returns are predictable.
4) Assess anomalies in the stock market and evaluate if these anomalies are explained by risk or by behavioral based models.
5) Analyze the general macro-economic environment for portfolio management.
6) Asses stock's fair value using various pricing models.

REQUIRED TEXTS/READINGS/REFERENCES:

Text: Bodie, Kane and Marcus, 2011, "Investments", 9th edition, McGraw-Hill, ISBN13: 978-0-07-353070-3.

Recommended Readings:

1. Campbell, John Y., and Tuomo Vuolteenaho, 2004, Bad beta, good beta, *American Economic Review* 94, 1249-1275.
2. Fama, Eugene F., and Kenneth R. French, 1996, Multifactor explanations of asset pricing anomalies, *Journal of Finance* 51, 55-84.
3. Fama, Eugene F., and Kenneth R. French, 2008, Dissecting anomalies, *Journal of Finance* 63, 1653-1678.
4. Jegadeesh, Narasimhan, and Sheridan Titman, 1993, Returns to buying winners and selling losers: Implications for stock market efficiency, *Journal of Finance* 48, 65-91.

EVALUATION AND GRADING:

Trading Simulation:	10%
Industry Analysis Presentation:	10%
Paper Presentation:	10%
Class Participation and Discussion:	10%
Homework Assignments:	15%
Midterm:	20% (10/22/2013)
Final:	25% (Date TBA)

Grading Scale will be as follows:

98%-100%   = A+
92%-97.9%   = A
90%-91.9%   = A-
88%-89.9%   = B+
82%-87.9%   = B
80%-81.9%   = B-
78%-79.9%   = C+
72%-77.9%   = C
70%-71.9%   = C-
68%-69.9%   = D+
62%-67.9%   = D
60%-61.9%   = D-
Below 60%   = F

The simulation requires you to trade stocks in investopedia. Minimum numbers of trades are 4 trades per week. It is graded based upon the number of trades, effort, and performances. We use

investopedia.com for simulation. You need to submit your trading history and brief summary (two sentences for each stock you trade) each two weeks. Each team can have three or four students. Fill out the following template for each of your trade. I also need your summary trading history printed out from the investopedia.

Price	
PE	
ROA	
ROE	
Paste MACD and stochastic figure here (from Yahoo Finance)	I need to see 50 and 200 day exponential moving average, MACD, slow stochastics, etc, use 1-year chart.
Other Comments (Important)	Fill this out

There are two presentations. One for industry analysis, and the other is for a research paper written by Eugene Fama or other leading researchers, which I shall assign you later. Team project will take place in a group of three or four students. You should analyze an industry and study the leading TWO firms in your industry in detail. Describe what they do, calculate their fair prices (using FCF models we cover in the class), discuss their financial ratios, discuss the general macro economy and the trends in your industry, and most importantly, the firms' competitiveness. Each presentation is about 30 minutes and we will use the last class for this presentation.

Presentations of the paper will start after the midterm. We will have one team presenting their assign paper in each lecture.

You need to prepare powerpoint slides for both presentations. Please Email me your slides and turn in a hardcopy on the day you present.

Homeworks can be submitted by groups too and they should be typed.
.
Grading of project is based on the depth of your study and the clarity of your presentation.

Final is cumulative. Date: TBA

TOPICAL OUTLINE/CALENDAR:

Topic 1	Financial Statement Analysis Ch19
	Equity Valuation Models Ch18
Topic 2	Macroeconomics and Industry Analysis Ch 17
Topic 3	Risk Aversion Ch6
	Allocation of Funds between Risk Free Assets and Risky Assets
Topic 4	Allocation of Funds among Risky Stocks Ch7
Topic 5	Stock Return Predictability (John Campbell)
Topic 6	Stock Return Anomalies, EMH and Behavioral Finance (Ch 11 & 12)
Topic 7	The CAPM and the Multi-factor Asset Pricing Models (CH12)
Topic 8	Term Structure of Interest Rates
	Managing Bond Portfolios (Ch 14-16)
Topic 9	Presentations

ACADEMIC INTEGRITY POLICY: Students are responsible for becoming familiar with the Academic Integrity Policy in all its aspects and for indicating their knowledge and acceptance of the Policy by signing the Academic Integrity pledge on all major work submitted for the course. Specific information on the Academic Integrity Policy may be found on the UNCG web site at http://academicintegrity.uncg.edu

ATTENDANCE POLICY: You are expected to attend all classes and participate in discussions. While it is understood that graduate students have busy schedules that include business conflicts, please exercise good judgment in missing class only when necessary. Your final grade in this course is based upon your value in course discussions – it is impossible to add value when you are absent from the discussions. As to individual assignments understand that assignments will be accepted early, but no assignment will be accepted late except under the terms noted in the syllabus.

ADDITIONAL REQUIREMENTS:

The Bryan School faculty has approved a set of guidelines for the conduct of classes. They can be found at:

http://www.uncg.edu/bae/faculty_student_guidelines_sp07.pdf