

FIN 3300-2: Investments

Spring 2021

FIN 3300: Investments	
<u>Term and Credits:</u> Spring 2021 4 Credits CRN 2323	<u>Location:</u> Monday/Wednesday 10:00am-11:50am, AAC 290. Each class is also accessible on Zoom (links in Canvas, password 33002—do not share this!) Class Website: canvas.du.edu
<u>Instructor:</u> Name: Andrew Detzel Department: Reiman School of Finance Office Location: https://udenver.zoom.us/j/adenver Office Hours: MW 3:00pm-4:00pm, T 2:00pm-4:00p, and by appointment Email: Andrew.Detzel@du.edu Class Website: canvas.du.edu	<u>Communication Conduct:</u> Email is the best method of contacting me. Canvas messenger works too, but it adds on an extra layer of things that can go wrong. I will reply to emails during the week within a business day. You must check your DU email daily.

***Note: Given the extreme uncertainty associated with the COVID-19 pandemic, I reserve the right to update the policies in this syllabus as needed if it benefits the class.**

Course Description:

Survey of marketable securities, markets, regulation, and risk and return measurement with introduction to fundamental and technical analysis.

Prerequisites/Co-Requisites:

FIN 2800 and degree checkpoint 2

Learning Outcomes:

FIN 3300 is an introductory investment course that will provide a sound basis for making and evaluating investment decisions. Upon completion you should be able to (i) construct a portfolio of financial assets and (ii) evaluate investment opportunities based on the returns they deliver relative to the risks they carry. This course is an absolute must for students who want to become an investment professional but also helps with personal investing. This course will help prepare students for exams associated with obtaining certifications such as the *FINRA Series 7* for a *General Securities Representative*, *Certified Financial Planner (CFP®)*, or *Chartered Financial Analyst (CFA®)*.



Principal Topics:

1. Elements of Investments
 - a. Background and Basic Issues
 - b. Global Financial Instruments
 - c. How to trade Securities
 - d. Mutual Funds and Other Investment Intermediaries
 - e. How Taxes Affect Investment
2. Portfolio Theory
 - a. Risk and Return
 - b. Efficient Diversification
3. Market Efficiency and Security Analysis
 - a. Risk-Adjusted Return
 - b. Market efficiency
 - c. Active vs Passive Investment Strategies
 - d. Equity Valuation Models
 - e. Fund Manager Evaluation
 - f. Fundamental and Technical Analysis
4. Debt Securities
 - a. Bond Prices and Yields
 - b. Managing Bond Portfolios

Required Materials:

- **Textbook:** Essentials of Investments (w/ Connect), 11th Edition, by Bodie, Kane, and Marcus. ISBN: 1260013928. McGraw-Hill/Irwin.
 - **I recommend you get the e-book, which comes with McGraw Hill's Connect for much cheaper.** (<https://connect.mheducation.com/class/a-detzel-fin-3300-spring-2021-1>). **CONNECT will have homework assignments.**
- **Coursepack:** Available for cheap at HBS Publishing Website (<https://hbsp.harvard.edu/import/816033>)
- Any supplemental handouts posted to Canvas
- Computer with Zoom installed (udenver.zoom.us), a webcam, and a microphone
- Microsoft Excel with Data Analysis Toolpak
- WSJ.com subscription (free for DU students: https://partner.wsj.com/partner/universityofdenver?mosd=wsj_DU1)

Grading Structure, Scale, And Policies:

There is no extra credit available in this class. Your course grade will be based off a midterm, a final, participation, and a case write-up. At my discretion I will curve grades on each graded item and/or the final course grades. I understand not everyone is in an ideal situation to participate, so I offer two grading options to accomodate.

Course Grade = greater of the following:

Option 1: $30\% * (\text{Midterm} + \text{Final}) + 15\% * (\text{Participation}) + 10\% * (\text{Case Writeup}) + 15\% * (\text{Connect HW})$

Option 2: $37.5\% * (\text{Midterm} + \text{Final}) + 10\% * (\text{Case Writeup}) + 15\% * (\text{Connect HW})$



Grading Scale: Per school policy, I will assign final course grades as follows:

A	=	93% and above of the total points
A-	=	≥90% <93% of the total points
B+	=	≥87% <90% of the total points
B	=	≥83% <87% of the total points
B-	=	≥80% <83% of the total points
and so on for C's etc.		

Assessments:

Examinations are currently schedule to be given on Canvas on the dates indicated below during regular class time (I reserve the right to change formatting based on needs of our COVID-era class). They will consist of a combination of multiple choice and/or short-answer problems and are intended to reflect exam questions you might see in an investments section of a CFA exam. There are no make up exams barring documented illness.

Assignments:

Case Study: One class will be devoted to discussion of an assigned case. This case study is based on an important real-life investment decision at a major financial institution and applies what we learn in class to a situation that is similar to ones you will likely deal with in an investments career.

For the case, I will post case-specific instructions on Canvas, including preparation questions. You will turn in a group write-up for case. Late submissions will receive no credit because we discuss the answers in class on the due date. You can work alone or in a group of up to 4 people. Please turn in one writeup per group. You will be graded on participation individually. Even if you work alone, I highly encourage you to discuss the case with your peers to help you come up with good answers and explanations.

Homework on Connect: I will post about six homeworks on the Connect program (link under course materials) throughout the course.

Participation: *Investments is not a spectator sport—if you do not participate regularly, your chances of getting an ‘A’ are close to zero.* Grading option 1 includes points for participation. There are 18 non-exam days this quarter. You receive 1 point for each of your best 13 non-case days and one for participation each for participating on the case and practice case days (for a total of 15 points). There are no make ups on participation. To receive a point for a particular day, you must ask a non-trivial question or contribute a non-trivial answer or comment to our class discussion. You will lose this point if it appears you are checked out besides that one contribution (e.g., you ask a question and then don't respond to questions later in class, or you make a comment but are unprepared to answer a “for next time” problem). If you go above and beyond in participation on multiple days, I reserve the right to carry-forward points to other days and even consider it in other assignments. One easy way to get participation points is to be prepared to answer “for next time problems”. If you are joining in class, please make yourself a nametent with your name.

University Expectations, Policies, And Resources:

Students with Disabilities. A student who qualifies for academic accommodations because of a disability must submit a Faculty Letter to the instructor from the DU Disability Services Program (DSP) in a timely manner, so that the needs of the student can be addressed. Accommodations will not be provided retroactively, e.g., following an exam or after the due date of a project. DSP determines eligibility for accommodations based on documented disabilities. DSP is located in Ruffatto Hall, 1999 E. Evans Ave. (303-871-2278).

University Expectations. Please review the University Expectations on the Daniels College of Business syllabus webpage (<http://daniels.du.edu/university-expectations/>)

- University of Denver Honor Code



- Policy Concerning Official Communication
- Students with Disabilities
- Policy Concerning Religious Accommodations
- Policy Concerning Emergency Procedures
- Policy Concerning Conflicts of Interest, Including Gifts from Students
- Course Expectations, Policies, and Resources:

Class Schedule (Preliminary-Updates on Canvas)

Date	Topic	Reading
3/31	Syllabus, Procedures, Basic investment issues and asset classes	Ch 1
4/5	Markets and Asset Classes overview continued	Ch 2, 3
4/7	Margin buying and selling, Mutual Fund/Hedge Funds,	Ch 2, 3
4/12/21	Mutual Fund/Hedge Funds, Risk and Return	Ch 4
4/14/21	Measuring Returns, Risk and Return	Ch 5
4/19/21	Risk and Return, Efficient Diversification	Ch 5, 6
4/21/21	Risk and Return, Efficient Diversification	
4/26/21	Discuss Efficient Diversification Case (no write up required), CAPM	Case
4/28/21	Midterm	
5/3/21	Risk and Return, Efficient Diversification, CAPM	Ch 7
5/5/21	CAPM continued, possibly begin Multifactor models	Ch 7, 8, 9
5/10/21	Multifactor models continued, market efficiency	Ch 8, 9, 18
5/12/21	Research Affiliates Case (from HBS coursepack)	Case
5/17/21	Market efficiency continued	
5/19/21	Market efficiency continued	
5/24/21	Fixed Income Securities	Ch 10, 11
5/26/21	Fixed income securities	
5/31/21	Memorial Day	No Class
6/2/21	TBA, Possibly personal taxes or alternatives	Ch 10, 11
6/7/21	Final review	
6/9/21	Final Exam	