

Syllabus
Investments 3503 (2021 spring)

Instructor: Huiming Zhang

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January 7, 2021

Class time: Tuesdays and Thursdays 5:00 - 6:15 PM, Jan 26 – May 6 (online and in-class Adams Hall 3208)

Final exam: Tuesday, 4:30 – 6:30 PM, May 11

Class description:

In this class, you will learn the basics of financial investments. You will learn different classes of financial securities - the pricing of bonds, equities, options, and futures. You will be able to learn more about financial markets, including the efficient market hypothesis, capital asset pricing models, and diversification theories.

Prerequisite:

FIN 2303 or FIN 3303 and FIN 3453. Basic statistics. Please see the details on One.ou.edu.

Class materials:

All class materials will be made available on Canvas. You need the Connect Online textbook “Essentials of Investments” By Bodie and slides on Canvas.

(1) Textbooks:

The only required (online) textbook is:

“Connect Online Access For Essentials of Investments”, 11th Edition, by Zvi Bodie, Publisher: McGraw-Hill Higher Education.

Please purchase this textbook so you have the access to the materials, including the e-book, assignments, and tests.

Please follow this link to make the Connect Online textbook available to you:

<https://connect.mheducation.com/class/h-zhang-investments>

Optional: “Loose leaf Essentials of Investments”, by Zvi Bodie, Alex Kane, and Alan Marcus, 11th Edition (not required).

(2) Slides

Slides will be made available on Canvas before each class. Please check your Canvas frequently.

Class structure:

This is a blended class: all class materials will be made online, and the in-person classes will be in the Adams Hall. I will pre-record my lectures and post the videos on Canvas before each class (5:00 PM). Please watch the recorded lectures carefully and let me know if you have any questions. In the in-person classes, I will cover the same materials. You can choose any types of lectures. If you watched the videos, you do not have to go to the classroom. Similarly, if you go to the in-person class, you do not have to watch the videos.

Introduction

Chapter 2 Asset Classes and Financial Instruments

Chapter 3 Securities Markets

Chapter 6 Efficient Diversification

Chapter 7 Capital Asset Pricing and Arbitrage Pricing Theory

Chapter 8 The Efficient Market Hypothesis

Chapter 13 Equity Valuation

Chapter 15 Options Markets

Chapter 17 Futures Markets and Risk Management

Class structure may be subject to change.

Grading policy:

1. Assignments (40%)

You need to submit 5 assignments.

Only 4 assignments count; I will drop the grades of the assignment with your lowest grade

Each assignment (10%)

2. Individual project (15%)

Project plan (2%)

Discussion of project (3%)

Presentation of project (10%)

3. **Exams (45%)**

First mid-term (10%)

Second mid-term (15%)

Final (20%)

Final grade:

A: $\geq 90\%$

B: $< 90\%$ and $\geq 80\%$

C: $< 80\%$ and $\geq 70\%$

D: $< 70\%$ and $\geq 60\%$

E: $< 60\%$

Assignments:

You will need to complete 5 assignments on your Connect system. All the 5 assignments will be automatically graded by the Connect system. Please be sure to purchase the required textbook “Connect Online Access for Essentials of Investments” (you can simply log in your Connect account and complete the assignments in the Connect System).

Reminder: please be sure to complete your assignments by deadlines, which are available at the end of this syllabus (class calendar). By default, all deadlines are **5:00 pm** of the marked dates (before each class). Forgetting to complete your assignments by deadlines will give you a score of “0” by the Connect system. Please mark the deadlines in your schedule.

All the assignments are based on the class materials – the textbook “Connect Online Access for Essentials of Investments” as well as the slides. The key to achieve a good grade in your assignments is to read the textbook and slides carefully, and think twice and check before submit your answers.

You can use a calculator for your assignments, and you can use your textbooks and notes. You can try three times; if you are not satisfied with your scores after your first/second attempt, you can try doing the assignment again. But, still, do not forget to complete your last attempt before the deadlines.

Projects:

This is an individual project.

Please choose five stocks of the companies of your interest, for instance, Apple, Twitter, Facebook, Amazon, and Walmart, and trace the performance of the five stocks (the stock prices data can be downloaded at finance.yahoo.com by searching company names in the top search box and click on the search result with “Equity – XXX” label on the right).

(1) Project Plan:

Please prepare three slides to show the five stocks of your choice; why do you choose the five stocks/why do the five companies attract your interest? How do you predict the performance of each of the five stocks? Will the performance of your portfolio depend on how you choose your stocks? For instance, when the five stocks come from five different industries, will your portfolio outperform than when you choose five stocks from the same industry? What information may help you predict their performance based on your intuition?

Bullet points:

- Names of the companies
- Industries of the five stocks
- Reasons to choose these stocks
- Your predictions on their performances (from the day you choose them to the discussion class day)
- What information do you use to make your prediction

(2) Discussion of project:

Please prepare five slides to discuss the performance of your stocks. Each stock should occupy one slide. In each slide:

- Name of the company
- Graph showing the performance of the stock (y-axis: daily stock returns; x-axis: date (trading days) from your plan submission date to the discussion date
- Average daily returns from your plan submission date to the discussion date
- Your judgments: bad performance or good performance?
- Your predictions for the performance of the stock from the discussion to the final presentation. Please also explain your reasoning

(3) Presentation of project:

Please prepare five slides to present the results of your five stocks performance. Each stock should occupy one slide. In each slide:

- Name of the company
- Graph showing the performance, in similar format to the graph in your discussion
- Average daily returns from your plan submission date to the presentation date
- Your judgments: bad performance or good performance?
- Reasons that the stock performs bad/good, in your opinions
- Discuss how would you improve your portfolio performance

Grading for your project will be made based on the quality of your plan, discuss, and presentation, i.e. your analysis and critical thinking shown in your projects, using what you learn from this class. Grades will not be determined by how well your portfolio perform.

I will create an assignment submission link for you to submit your plan, discussion, and presentation slides. Please submit to the Canvas system. Please do not email to me, which may slow the process of grading your submissions. Thanks.

Please submit your slides for your plan, discussion, and final presentation before deadlines (as marked in the class calendar) through Canvas. The deadlines are 5:00 pm of the marked dates (before classes).

Exams:

Your exams will be completed on the system and graded by the system. You will have 1 hour and 15 mins to complete the mid-term exams and 2 hours for the final. The schedules of the first mid-term, second mid-term, and final are in the class calendar (end of this syllabus).

Calculator is allowed. All exams are closed-book exams. You cannot use your notes. For any special accommodations needed, please contact me before taking the exams. Detailed information in the “Accommodation” section of this syllabus.

First mid-term covers the materials from the beginning of this class to the last class before the exam; second mid-term covers the materials from the first class after the first mid-term to the last class before the second mid-term; the final covers all materials in this class.

The key to do well in exams is to read slides carefully, review your assignments, and check your answers before submission.

Communication:

If you have any questions, feel free to contact me via my email: huimingzhang@ou.edu. Due to concerns about covid, I do not schedule office hours for spring 2021. Please contact me via my email when you have any questions.

Covid-19 policy:

Please wear a mask when you are on campus and try keeping appropriate social distance (at least 6 feet) from each other to protect yourself and others. Many thanks.

Academic misconduct policy:

Please do not copy others’ assignments, exams, or projects. For details about the student academic integrity code: <https://www.ou.edu/integrity/students>.

Accommodation:

If you need any special accommodations (for instance, disability, pregnancy, child birth, religious holidays), or have any urgent issues, please present with your written notice (plus, with approvals from <http://www.ou.edu/drc> for disability accommodation and from <https://www.ou.edu/healthservices> for medical conditions) and email to me at huimingzhang@ou.edu with sufficient time for me to help make the accommodation. Thanks.

Title IX:

For any issues related to Title IX, please refer to: <https://www.ou.edu/eoo/institutional-equity-and-title-ix-office>.

Class Calendar				
Week	Date	Weekday	Plan	
1	26-Jan	T	Class	Introduction of the class
1	28-Jan	R	Class	Chapter 2
2	2-Feb	T	Class	Chapter 2
2	4-Feb	R	Class + Assignment 1 Due	Chapter 3
3	9-Feb	T	Class	Chapter 3
3	11-Feb	R	Class + Assignment 2 Due	Chapter 6
4	16-Feb	T	Class + Submission of Project Plans	Chapter 6
4	18-Feb	R	Class	Chapter 7
5	23-Feb	T	Class	Chapter 7
5	25-Feb	R	Class + Assignment 3 Due	Chapter 8
6	2-Mar	T	Class	Chapter 8
6	4-Mar	R	Class	Chapter 8
7	9-Mar	T	Class + Assignment 4 Due	Chapter 8
7	11-Mar	R	Class	Chapter 8
8	16-Mar	T	<u>First Mid-Term</u>	
8	18-Mar	R	Class	Chapter 13
9	23-Mar	T	Class	Chapter 13
9	25-Mar	R	Class	Chapter 13
10	30-Mar	T	Discussion of Projects 1	
10	1-Apr	R	Discussion of Projects 2	
11	6-Apr	T	Instructional Holiday	NO CLASS
11	8-Apr	R	Class	Chapter 15
12	13-Apr	T	<u>Second Mid-Term</u>	
12	15-Mar	R	Class	Chapter 15
13	20-Apr	T	Class	Chapter 15
13	22-Apr	R	Class + Assignment 5 Due	Chapter 17
14	27-Apr	T	Class	Chapter 17
14	29-Apr	R	Class	Chapter 17
15	4-May	T	Presentation of Projects 1	
15	6-May	R	Presentation of Projects 2	
16	11-May	T	<u>Final</u>	