Objectives
In finance courses, students learn how money interacts with risk and time. Understanding this relationship allows us to help companies, governments and individuals make wise decisions about managing capital, investing or borrowing funds, optimizing returns, and staying financially sound. FINC 3330 is a demanding course, but students may find it one of the most beneficial courses they take in college. The reason is the knowledge you gain in this class may guide you to make better financial decisions throughout your life. However, you should note that Investments do not translate into how to make a killing in the stock market. Financial market history strongly suggests that no approaches to investing are simultaneously i) easy to apply, ii) legal, and iii) consistently successful. If successful investing were easy, we would all be rich. We should start with realistic expectations, and knowing what to avoid is as important as knowing what to do. You should also note that FINC 3330 covers theoretical topics such as the modern portfolio theory and efficient market hypotheses as well as practical aspects of investing. Those theories may not provide a great practical investment value, but these topics provide useful background information. This course emphasizes a quantitative and problem-solving approach to enable you to understand the following;

- investment terminology and investment environment
  ✓ knowledge of the capital market and its process, the role of stock exchanges and bond markets in allocating capital, and trading practices in the investment process; bid/ask prices, different underwriting methods and specific types of orders, and primary/secondary markets
- risk-return trade-off, capital allocation, and portfolio management strategies in terms of the modern portfolio theory
  ✓ measuring expected return, total risk and systematic risk, evaluating the risk-adjusted performance of various investments, and understanding the efficient market hypothesis and its implications
  ✓ asset allocation based on investor preference and opportunities, use of equilibrium pricing models, and distinguish between active and passive management strategies
• the concepts and basic techniques of valuation and security analysis
  ✓ stock and bond valuation principles
  ✓ utilizing financial statements and other publicly available information to analyze stocks
  ✓ interest rate risk and bond portfolio management
  ✓ using Bloomberg Terminal for security analysis, learning Bloomberg Market Concepts (BMC) and earning a certificate
• overview of derivatives
  ✓ understanding the nature of options and futures contracts, principles of valuation, and their use in speculative or hedging strategies
• understanding legal, ethical, and other real-world issues in investing
  ✓ discussing finance theories in relation with current issues of investing supplemented by readings *Wall Street Journal (WSJ)* and other business literature

**Prerequisites**

FINC 3310 (Principles of Financial Management)

**Course Materials**

• Required textbook: Bodie, Kane, and Marcus, Essentials of Investments, 9th ed. (ISBN 978-0-07-803469-5). I will call it **BKM**. You may rent or buy a used book as Connect access code is *not* required. Use practice problems in Blackboard instead of Connect.
• The *Wall Street Journal (WSJ)* is also required. Student discount is available in [www.wsj.com/studentoffer](http://www.wsj.com/studentoffer) *WSJ* articles will be used in your investment project and discussed in relation to the investments analysis topics we cover in class.
• Bloomberg Terminals available in the library
• Financial calculator: Bring your financial calculator to class. Read the manual if you are not familiar with the functions of your calculator. You cannot take quizzes and exams of this class without bringing your financial calculator.
• Handouts posted on Blackboard. Class materials provided to students are for personal use only and cannot be sold or distributed to other parties without written consent of the instructor. The copyright belongs to the instructor.

**Attendance and Participation**

Attendance will be taken and class participation is emphasized. This grade item has 30 points. In addition, up to 20 points of extra credit can be given to those who read the chapters and assigned WSJ articles before coming to the class and participate actively in class. As most of you will graduate in 1-2 years, it is very important for you to be prepared well for your entry into the real business world. Regard each class as a business meeting. You are expected to come to the meeting prepared and be ready to contribute.
Grading

Your grade is an evaluation of the information you provide during the semester in the form of quizzes, exams, BMC, the investment project, and class participation. Think as if the information you provide is the critical input in an executive decision to be made by your employer in the future. Obviously fast and accurate information is valued most highly in the real business world as well as in this class.

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three In-class Quizzes</td>
<td>60</td>
</tr>
<tr>
<td>Bloomberg Market Concepts (BMC) Certificate</td>
<td>20</td>
</tr>
<tr>
<td>Investment Project</td>
<td>30</td>
</tr>
<tr>
<td>Mid-term Exam 1</td>
<td>80</td>
</tr>
<tr>
<td>Mid-term Exam 2</td>
<td>80</td>
</tr>
<tr>
<td>Cumulative Final Exam</td>
<td>120</td>
</tr>
<tr>
<td>Attendance and Participation</td>
<td>30 + up to 20</td>
</tr>
<tr>
<td>Total Points</td>
<td>420</td>
</tr>
</tbody>
</table>

Students are "guaranteed" of a grade if they achieve the following percentages of the total points in the course:

- A+ 96.68-100%
- A  93.34-96.67%
- A- 90-93.33%
- B+ 86.68-89.99%
- B  83.34-86.67%
- B- 80-83.33%
- C+ 76.68-79.99%
- C  73.34-76.67%
- C- 70-73.33%
- D+ 66.68-69.99%
- D  63.34-66.67%
- D- 60-63.33%
- F below 60%

There is typically a scale built into the grading scheme for the course.

Exams will be a combination of multiple choice and short answer questions, and may contain any investment-related topics discussed in-class including WSJ articles and Bloomberg Market Concepts. Final exam is cumulative. You are allowed to bring a piece of letter-sized (8.5” * 11”) reference sheet to an exam. It can be either handwritten or printed. You may use both sides, but you cannot staple, or attach pieces of paper together to create this reference sheet. Make sure you write your name on the first line of your reference sheet and submit it with your exam.

An in-class quiz will be given before each exam to help students evaluate their understanding of the topics and prepare well for the upcoming exam. Reference sheet is not allowed during quizzes.

As you already know all exam and quiz dates written in this syllabus at the beginning of the semester, make every effort to avoid any scheduling conflicts. There will be no make-up exam or quiz unless there is an emergency. In case of a personal emergency, submit
the “Emergency Report Form (available from the instructor upon request by an email)” with proper documentations within one week from the exam/quiz date. The form will be rejected without valid documents such as an accident report from the police, for example. If the form is approved, your cumulative final-exam result will be used to replace the missed mid-term exam and the corresponding exam will be used to replace the missed quiz score. The limit for this replacement is one mid-term exam and one quiz, and the final exam score cannot be replaced by any other exam.

Solve practice problems provided for each chapter in Blackboard. To benefit those who practice these problems, there will be some quiz and exam questions that look similar to these practice problems.

One of the learning objectives of this class is to make sure each student can apply financial theory to decision-making by utilizing various information technology and advanced research methods. To achieve this goal, I assign an investment project. Download the detailed instruction on the project from Blackboard, follow the instructions step by step, and submit your project by the due date. Late submission or resubmission after the due date will not be accepted.

Learn Bloomberg Market Concepts (BMC), earn a certificate and submit the certificate to Blackboard by the due date. BMC is an 8 hour self-paced e-learning course that provides an introduction to the financial markets. Learn Bloomberg Market Concepts (BMC), earn a certificate and submit the certificate to Blackboard by the due date. BMC is an 8 hour self-paced e-learning course that provides an introduction to the financial markets. 

http://about.bloomberginstitute.com/bloomberg-market-concepts/

You can take BMC for free if you use Bloomberg Terminals located in the library. BMC consists of 4 modules – Economic Indicators, Currencies, Fixed Income and Equities – taken from Bloomberg data, news and analytics. Use the concepts you learned in BMC for your investment project. To find information on how to use Bloomberg terminal in the library, go to http://libguides.brooklyn.cuny.edu/Bloomberg

Use “HPFINC3330” as the group code if needed when you register for BMC. Grades are not negotiable. If you believe you find any grading errors in your quiz or exam, you should submit a written request for review within one week of the date when the quiz/exam was reviewed in class. The written request should include your name, ID, date, and the list of the questions to be reviewed and why you request re-grading.

How to Do Well in FINC 3330

• ‘Investments’ is a very demanding course because it expects you to learn new concepts and methodologies for investment decisions that build on your knowledge in Principles of Financial Management, Accounting, Economics, Mathematics, and Statistics. Read the textbook before you come to the class. Slides will help you find important topics and how to organize them. Especially if you were not satisfied with your performance in FINC 3310, reading before the class will be critical for your success in FINC 3330. The key to successful learning is to recognize what you do not know among the key concepts and skills that are important.

• During class, participate actively and ask questions if you cannot understand what is being discussed clearly. Read each chapter at least once more after you have seen the material presented and discussed in class.
• After studying each chapter, solve the practice problems available in Blackboard to test your understanding of the topics covered in the chapter. If you find it is very difficult to solve these problems on your own, it signals that you need to improve your understanding of the topics before the in-class quiz and exam. Note that quizzes and exams have both multiple choice and short answer questions.

• Clear up points of confusion. Consult with me on a timely basis if you have any difficulty in understanding the topic.

• This course has three parts and Part 1 (Elements of Investments) covers the basic concepts, terms, and methods frequently used in the real world of investing. Try to earn as many points as possible in the first exam because you will learn more challenging concepts and advanced theories in Part 2 and Part 3.

FINC 3330 Tentative Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
<th>Chapters Due dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/30,2/1,6&amp;8</td>
<td>Financial Securities</td>
<td>1, 2, 15,16</td>
</tr>
<tr>
<td>2/15&amp;22</td>
<td>Securities Markets</td>
<td>3</td>
</tr>
<tr>
<td>2/27&amp;3/1</td>
<td>Investment Companies</td>
<td>4 Quiz 1 (2/27)</td>
</tr>
<tr>
<td>3/6&amp;8</td>
<td>Risk &amp; Return</td>
<td>5 Team (3/1)</td>
</tr>
<tr>
<td>3/13</td>
<td>Mid-term Exam 1</td>
<td>Decisions (3/8)</td>
</tr>
<tr>
<td>3/15&amp;20</td>
<td>Risk and Return</td>
<td>5 Orders (3/15)</td>
</tr>
<tr>
<td>3/22,27&amp;29</td>
<td>Efficient Diversification</td>
<td>6 Quiz 2 (4/3)</td>
</tr>
<tr>
<td>4/3,5&amp;19</td>
<td>Capital Asset Pricing and Arbitrage Pricing Theory</td>
<td>7 BMC (4/19)</td>
</tr>
<tr>
<td>4/20</td>
<td>Efficient Market Hypothesis</td>
<td>8</td>
</tr>
<tr>
<td>4/24</td>
<td>Mid-term Exam 2</td>
<td></td>
</tr>
<tr>
<td>4/26&amp;5/1</td>
<td>Performance Evaluation</td>
<td>18</td>
</tr>
</tbody>
</table>

Part II (Portfolio Theory)

Part III (Bond Portfolio Management)

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
<th>Chapters Due dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/3,8&amp;10</td>
<td>Bond Prices and Yields</td>
<td>10 Quiz 3 (5/15)</td>
</tr>
</tbody>
</table>

Liquidate (5/10)

Cumulative Final Exam: 1-3 pm on Wednesday, May 24

Reserved Right
The instructor reserves the right to implement any modifications during the semester to better enhance learning in this class. All of these changes will be announced in class.

Important Dates for All Undergraduate Courses

Sunday, February 5  Last day to add a course
                    Last day to file for elective course Pass/Fail
Wednesday, February 15 Last day to apply for Spring 2017 Graduation
                      Conversion Day; Classes follow a Monday Schedule
Sunday, February 19  Last day to drop a course without a grade
Friday, April 7                    Last day to resolve Fall 2016 and Winter 2017 incomplete grade  
Wednesday, April 19          Last day to withdraw from a course with a W (non-penalty) grade  
Thursday, April 20             Conversion Day; Classes follow a Monday Schedule  

Technology Policy  
*It is strictly prohibited to use phone, laptop, and other electronic devices for non-class use in the classroom.* Those who violate this policy will be asked to leave the classroom.  

e-mail Policy  
e-mail is the best way for communication when you need to contact me. When you send me an e-mail, include the course number (FINC 3330) in the subject line.  

Non-attendance due to religious beliefs  
Refer to the state law regarding non-attendance because of religious beliefs (p. 64 in the Undergraduate Bulletin).  

Academic Integrity  
The faculty and administration of Brooklyn College support an environment free from cheating and plagiarism. Each student is responsible for being aware of what constitutes cheating and plagiarism and for avoiding both. The complete text of the CUNY Academic Integrity Policy and the Brooklyn College procedure for policy implementation can be found at [www.brooklyn.cuny.edu/bc/policies](http://www.brooklyn.cuny.edu/bc/policies). If a faculty member suspects a violation of academic integrity and, upon investigation, confirms that violation, or if the student admits the violation, the faculty member *must* report the violation.  

Students with Disability  
In order to receive disability-related academic accommodations students must first be registered with the Center for Student Disability Services. Students who have a documented disability or suspect they may have a disability are invited to set up an appointment with the Director of the Center for Student Disability Services, Ms. Valerie Stewart-Lovell at (718) 951-5538. If you have already registered with the Center for Student Disability Services, please provide your professor with the course accommodation form and discuss your specific accommodation with the instructor.  

All students should carefully and thoroughly read the section entitled “Academic Regulations and Procedures” in the Brooklyn College Undergraduate Bulletin for a complete listing of academic regulations of the College.  

This course is designed to achieve the following learning goals:  
*Undergraduate Learning Goals at Koppelman School of Business in Brooklyn College.*  

1. **Written communication:** Students will use technical skill and craftsmanship to develop ideas cogently, organize them logically, and present them with focus, style, and content that makes the purpose apparent to the reader. They will demonstrate fluency with language and minimal grammatical errors.  

2. **Information Literacy:** Students will search for, analyze, and identify useful and accurate information using information technology and other resources. They will
use it effectively for an intended purpose. Students will recognize the work of others through appropriate citation.

3. **Ethical awareness**: Students will think critically about ethical issues, and analyze and evaluate situations from opposing ethical perspectives. They will understand social responsibility as an opposing perspective on what the goal of an organization should be: responsibility to society at large or maximizing shareholder wealth.

4. **Critical thinking/Logic**: Students will demonstrate the ability to think systematically and logically, to use analysis, interpretation, evaluation, inference, and explanation to propose resolutions to routine and complex, ill-structured problems.

5. **Quantitative reasoning**: Quantitative reasoning includes the ability to interpret and represent data related to a specific context or problem; perform mathematical calculations and carry out analyses with clear assumptions; and finally communicate results appropriately.