

**The University of Akron**  
**College of Business**  
**Course Number 6400:343:001**  
**Investments (Hybrid)**



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**Year/Term:** 2017/Fall  
**Class Time:** T 12:15 - 1:30 PM EST  
**Office Hours:** M 1:30 – 3:15 PM EST,  
T 1:30 – 3:30 PM EST,  
or by appointment

## Course Information

### Description

This course is designed to provide an overview of financial markets and how the risk-return relationship is managed in these markets. The course will cover multiple asset classes and the securities markets where they are traded, asset allocation and diversification strategies, CAPM and APT pricing models, efficient market hypothesis, active vs. passive portfolio management strategies, bond and equity valuation and portfolio management, portfolio performance evaluation, and macroeconomic and industry analysis.

### Prerequisites

6400:300 or 6400:301; 3250:426 or 6500:304.

### Course Overview

This course is designed to introduce students to topics related to investments in capital markets. The primary objectives of this course are to introduce students to (1) various assets classes and financial instruments used in securities markets to include mutual funds and other types of investment companies, (2) concepts pertaining to risk and return and modern portfolio theory in efficient markets, (3) debt markets and bond portfolio management, and (4) equity valuation and portfolio performance evaluation. You will also gain working knowledge about topics related to macroeconomic and industry analysis and the impact these areas have on investment decision making.

This is a “*hybrid*” course where 50% of the course content will be delivered in a traditional classroom lecture setting and the remaining 50% in an online setting to include video lectures and assignments. It is very important for you to log into Brightspace each day to find the latest updates for the class. If you are new to Brightspace, you can [get started by watching the tutorials here](#).

### Course Objectives

At the end of this course, successful students will be able to:

1. Identify and evaluate various asset classes and financial instruments used in finance markets
2. Identify how securities markets, i.e., stock trading, buying on margin, short sales, etc., operate and how firms issue stock when first going public
3. Identify how mutual funds, ETF funds, and other investment companies operate and evaluate their performance
4. Compute and analyze rates of return, risk and risk premiums, and passive vs. active investment strategies
5. Evaluate efficient portfolio diversification and long-term investment strategies

6. Evaluate the Capital Asset Pricing and Arbitrage Pricing theoretical models, and other multifactor pricing and index models
7. Evaluate and discuss the efficient market hypothesis and evaluate if markets are efficient
8. Compute and evaluate interest rates, bond valuations, and yield curves
9. Evaluate passive vs. active bond portfolio management strategies
10. Conduct macroeconomic and industry analysis
11. Compute and evaluate different equity valuation methods
12. Evaluate and interpret various portfolio performance evaluation methods

## Required Texts and Materials

“*Essentials of Investments*”, 10<sup>th</sup> Edition, by Bodie, Kane, & Marcus; McGraw Hill Education

## Additional Resources

**Bloomberg Market Concepts (BMC):** You will be completing a Bloomberg self-paced e-learning course administered and graded online using *Bloomberg Market Concepts (BMC)*. After completing this course online you will receive a certificate of completion directly from Bloomberg. Please see the *Course Orientation* section on Brightspace for more information about registering for *Bloomberg Market Concepts*. Please register your account as soon as possible.

**McGraw Hill Connect:** All homework assignments and quizzes will be administered and graded online using *McGraw Hill Connect*. Please see the *Course Orientation* section on Brightspace for more information about registering for *McGraw Hill Connect*. Please register your account as soon as possible.

**Microsoft Excel®:** You will need to have access to Microsoft Excel® in order to complete this course. Microsoft Excel® is installed on all computers located in open student computer labs across campus. Microsoft Office 365®, which includes Microsoft Excel®, is also provided as a [free download](#) to your personal PC through the university’s computer store.

## Evaluation and Assessment

### Grading Scale

% Score	Grade	% Score	Grade
92-100%	A	78-79%	C+
90-91%	A-	72-77%	C
88-89%	B+	70-71%	C-
82-87%	B	60-69%	D
80-81%	B-	BELOW 60%	F

### Final Grade Weights

Description	Percentage of Final Grade
<b>Bloomberg Market Concepts</b>	<b>10%</b>
<i>McGraw Hill Connect</i> Homework	10%
<i>McGraw Hill Connect</i> Quizzes	20%
Analysis Project	10%
Mid-term Exam	25%
Final Exam	25%
<b>TOTAL:</b>	<b>100%</b>

## Assessments

**Bloomberg Market Concepts (BMC):** *BMC* is an 8-hour self-paced e-learning course that provides a visual introduction to the financial markets. *BMC* consists of 4 modules: (1) Economic Indicators, (2) Currencies, (3) Fixed Income, and (4) Equities-woven together from Bloomberg data, news, analytics and television. It is highly recommended that you complete these modules in this order. Upon completion, you will receive a certificate of completion that you can include on your resume to demonstrate your comfort with the gold standard Bloomberg data platform. Other information regarding cost and registration procedures for *BMC* is posted on Brightspace. You must complete all the modules and receive your final score and certificate by the due date posted on Brightspace.

**McGraw Hill Connect:** There will be a homework assignment and quiz for each chapter we cover that is to be completed online using *McGraw Hill Connect*. You must complete these assignments by 11:59 PM on their due dates in order to receive a grade. No late submissions will be accepted. Answers to homework assignments will be given to you as you complete the assignment. Answers to quizzes will be released one hour after the due date. Other information regarding registration procedures for *McGraw Hill Connect* is posted on Brightspace.

**Analysis Project:** This project will focus on introducing you to using real financial data to perform various financial analysis concepts we cover in class. You will be introduced to Wharton Research Data Services (WRDS) to obtain and analyze firm level financial data from various sources (i.e., CRSP, Compustat). You will also obtain and analyze financial data related to ETFs, Mutual Funds, Bonds, and other financial instruments from other data sources. The Analysis Project will have a due date and must be submitted by 11:59 PM on the due date. Late submissions will be accepted but a grading penalty will be applied for all late submissions (see **Other Policies-Late Work** below for details). Other details pertaining to this project will be explained in class and posted on Brightspace when the project is assigned.

**Exams:** There will also be two (2) exams given during the semester. Except in extreme circumstances, there will be no make-up exams given. See the **Course Overview/Chapter Assignment** table below for tentative exam dates. Be aware that these dates and exam formats are subject to change.

## Course Policies

### Attendance Policy

This course is a “*hybrid*” course that meets once a week for a traditional in-class lecture. All other course content will be delivered through material posted on Brightspace (i.e, video lectures, slide presentations, course notes, etc.) and assignments administered through *McGraw Hill Connect* and *Bloomberg Market Concepts (BMC)*. The topics covered in this course are often difficult for students to understand, and each topic builds upon previously covered topics making the material naturally comprehensive. I highly recommend that you read the chapters that we cover, attend all in-class lectures, and watch all video lectures posted on Brightspace pertaining to each chapter before coming to the class that chapter is to be presented. Doing this will naturally lead to a higher final grade in this course and make achieving that higher grade easier.

### Other Policies

**Late Work:** All weekly *McGraw Hill Connect* Homework and Quiz assignment due dates are hard due dates where late submissions will not be accepted for grading. The *Bloomberg Market Concepts* course will also have a hard due date that you must complete the course and receive your final score and certificate. The Analysis Project submissions will be accepted late but with a 20% grading penalty for each 24 hour period they are late. The first 20% grading penalty will be applied beginning at 12:00 AM on the day after the due date. To be clear, if the due date is October 1 at 11:59 PM, the first 20% penalty will be applied beginning at 12:00 AM on October 2 which is 1 minute after the due date time. The second 20% penalty will be applied beginning at 12:00 AM on October 3, and so on.

**Extra Credit:** There will be no extra credit opportunities given during this course. See “*Final Grade Weights*” above for details about how your final grade is determined.

## [University Resources and Student Services](#)

Student services staff members are consistently on hand to guide, advise, and assist you. A comprehensive website with detailed contact information is available from the “Student Services” tab in your online course. We encourage you to make yourself aware of all student services, especially those listed below.

### **Accessibility**

In pursuant to University policy #33-59-20-01 subsection C, The University of Akron recognizes its responsibility for creating an institutional atmosphere in which students with disabilities have the opportunity to be successful. Any student who feels he/she may need an accommodation based on the impact of a disability should contact the [Office of Accessibility](#) at 330-972-7928 (v), 330-972-5764 (tdd) or [access@uakron.edu](mailto:access@uakron.edu). The office is located in Simmons Hall Room 105.

### **Technical Support**

If you have technical questions or require technical assistance, we encourage you to review the variety of methods for obtaining support. You can contact ZipSupport directly at 330-972-6888 or [support@uakron.edu](mailto:support@uakron.edu).

## **Department of Student Conduct and Community Standards**

Students at The University of Akron are an essential part of the academic community, and enjoy substantial freedom within the framework of the educational objectives of the institution. The freedom necessary for learning in a community so rich in diversity, and achieving success toward educational objectives, requires high standards of academic integrity. The [Code of Student Conduct](#) applies to all undergraduate and graduate students at The University of Akron

## **University Libraries: Academic Integrity**

Cheating means to misrepresent the source, nature, or other conditions of your academic work (e.g., tests, papers, projects, assignments) so as to get undeserved credit. In addition, it is considered cheating when one cooperates with someone else in any such misrepresentation. The use of the intellectual property of others without giving them appropriate credit is a serious academic offense. It is the University's policy that cheating or plagiarism result in receiving a failing grade for the work or course. Repeat offenses result in dismissal from the University. Academic dishonesty **will not be tolerated and will result in a failing grade (0%) for every assignment involved.**

It is each student's responsibility to know what constitutes academic dishonesty and to seek clarification directly from the instructor if necessary. The University of Akron, University Libraries web site is an excellent source to help you, the student, understand plagiarism and how to avoid it. [Select this link to learn more about how to avoid plagiarism.](#)

Examples of academic dishonesty include, but are not limited to:

- Submission of an assignment as the student's original work that is entirely or partly the work of another person.
- Failure to appropriately cite references from published or unpublished works or print/non-print materials.
- Unauthorized copying of an assignment in computer programming, or the unauthorized examination or view of the computer, specifically during examinations.
- Possession and/or unauthorized use of tests, notes, books, calculators or formulas stored in calculators not authorized by the instructor during an examination.

- Providing and/or receiving information from another student other than the instructor, by any verbal or written means.
- Observing or assisting another student's work, when not part of a group activity.
- Violation of the procedures prescribed by the professor to protect the integrity of the examination.
- Cooperation with a person involved in academic misconduct.
- Submitting the same assignment in two different classes.

If a faculty member suspects that a student has violated the Academic Misconduct provision in the Code of Student Conduct, the faculty member will follow the procedure outlined in Section J of the Code of Student Conduct. More information is available at the website of the Department of Student Conduct and Community Standards.

## **University Registration Policies**

### **Registration**

It is the responsibility of the student to ensure they are properly registered for this course. A student not registered will not receive credit or a grade for any work done in the course.

### **Withdrawal Policy**

A student may drop a course through the 14th calendar day of a semester or proportionately equivalent dates during other sessions: a "drop" will not appear on your transcript, as the class simply "disappears." After the 14th calendar day period, students may withdraw from a course through MyAkron until the 49th calendar day of a semester or proportionately equivalent dates during other sessions: a "WD" will appear on your transcript. *A withdrawal may affect your financial aid, eligibility for on-campus employment and eligibility for insurance, so speak with your advisor for details.* Questions regarding registration can be addressed by the [Office of the Registrar](#), 330-972-5400. [Read more about the official University Withdrawal Policy.](#)

## Course Overview / Chapter Assignments

<b>Date</b>	<b>Chapter</b>	<b>Topic</b>	<b>Weekly Assignments</b>
8/29	1	Course Overview & Introduction	Read: Chapter 1 & 2 (all sections) Video Lectures: Chapter 2
9/5	2	Asset Classes and Financial Instruments	Read: Chapter 3 & 4 (all sections) Video Lectures: Chapter 3 & 4 <i>Connect</i> : Ch.2 Homework & Quiz
9/12	3 & 4	Ch3: Securities Markets  Ch4: Mutual Funds & Other Investment Companies	Read: Chapter 5 (all sections) Video Lectures: Chapter 5 <i>Connect</i> : Ch.3 & 4 Homework & Quiz
9/19	5	Risk and Return: Past and Prologue	Read: Chapter 5 (all sections) Video Lectures: Chapter 5 <i>Connect</i> : Ch.5 Homework & Quiz
9/26	5	Risk and Return: Past and Prologue	Read: Chapter 6 (all sections) Video Lecture: Chapter 6 <i>Connect</i> : Ch.5 Homework & Quiz
10/3	6	Efficient Diversification	Read: Chapter 6 (all sections) Video Lectures: Chapter 6 <i>Connect</i> : Ch.6 Homework & Quiz
10/10	6	Efficient Diversification	Read: Chapter 7 (all sections) Video Lectures: Chapter 7 <i>Connect</i> : Ch. 6 Homework & Quiz
10/17	7	Capital Asset Pricing and Arbitrage Pricing Theory	Read: Chapter 7 (all sections) Video Lectures: Chapter 7 <i>Study for Mid-Term Exam</i>
10/24	Mid-term	Mid-Term: Chapters 1,2,3,4,5,6	Read: Chapter 8 (all sections) Video Lectures: Chapter 8
10/31	7	Capital Asset Pricing and Arbitrage Pricing Theory	Read: Chapter 8 (all sections) Video Lectures: Chapter 8 <i>Connect</i> : Ch.7 Homework & Quiz
11/7	8	The Efficient Market Hypothesis	Read: Chapter 10 (all sections) Video Lectures: Chapter 10 <i>Connect</i> : Ch.8 Homework & Quiz
11/14	10	Bond Prices and Yields	Read: Chapter 11 (all sections) Video Lectures: Chapter 11 <i>Connect</i> : Ch.10 Homework & Quiz
11/21	11	Managing Bond Portfolios	Read: Chapter 12 (all sections) Video Lectures: Chapter 12 <i>Connect</i> : Ch. 11 Homework & Quiz
11/28	12	Macroeconomic and Industry Analysis	Read: Chapter 13 (all sections) Video Lectures: Chapter 13 <i>Connect</i> : Ch.12 Homework & Quiz
12/5	13	Equity Valuation	<i>Connect</i> : Ch.13 Homework Only <i>Study for Final Exam</i>
	Final	Final: Chapters 7,8,10,11,12,13	Final Grade posted on Brightspace

*Note: The above schedule is intended to serve as a general outline and is subject to change. Topics are tentative and may need to be modified during the semester.*