

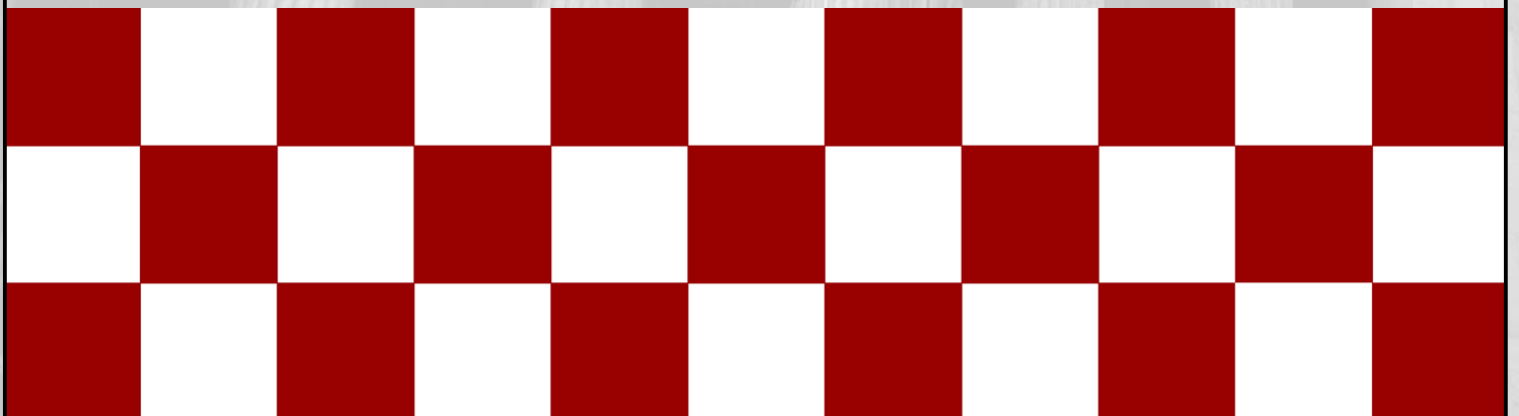


ROBINS
School of Business™

FIN 366: INVESTMENTS

SYLLABUS

Professor: Joseph Farizo





FIN 366: INVESTMENTS

SYLLABUS
ROBINS SCHOOL OF BUSINESS

Welcome to Finance 366! This is an exciting course that will introduce you to the investing process, securities, and valuation. Upon completion, you will have a better understanding of how financial markets work. Additionally, you'll recognize the role that financial instruments play in saving and investing, and how one should develop an appropriate portfolio.

Throughout the semester, we will observe how theory plays out in practice. We will follow relevant financial news and participate in a stock market trading game. We will apply models we learn about to real-world financial data. Finally, we conclude with a group assignment designed to enhance your understanding of all we have learned while improving your research skills, interview abilities, and presentation confidence.

My goal is to help you succeed, not just in the classroom but in your career. If ever you feel you are falling behind (or need more of challenge), please contact me. I am *always* happy to help. I look forward to this semester and hope you find this class useful, relevant, and rewarding.

- Joe

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FIN 366: INVESTMENTS

COURSE SYLLABUS
ROBINS SCHOOL OF BUSINESS


PROFESSOR

Joseph (Joe) Farizo

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CLASS TIMES & LOCATIONS

Sec 01: TR 10:30-11:45am (BUS 114)

Sec 02: TR 12:00-1:15pm (BUS 114)

OFFICE HOURS (RSB 329)

By appointment at josephfarizo.com.

TOPICS

1. Market Efficiency and Critiques
2. Financial Instruments and Markets
3. Institutions and Investors
4. Risk, Return, and Diversification
5. Security Valuation & Analysis

ASSIGNMENTS & POINTS

Exams (3 total)	650	(65%)
Problem Sets (6 total)	150	(15%)
Group Project	100	(10%)
Trading Game	50	(5%)
Independent Project	50	(5%)
<i>Total</i>	1000	(100%)

GRADING SCALE

A	930+	C	730
A-	900	C-	700
B+	870	D+	670
B	830	D	630
B-	800	D-	600
C+	770	F	Below

COURSE DESCRIPTION

Finance 366 provides a foundation in the basic terminology, theory, concepts, and applications used in modern investing.

OBJECTIVES AND GOALS

- Understand key investment concepts and theories relating to risk, return, valuation, asset pricing models, markets, financial institutions, and performance evaluation.
- Develop an ability to follow relevant financial news, comprehend market data, and understand financial asset price movements.
- Become familiar with the investment process, understand how to build and evaluated a portfolio, and know how to formulate an investing strategy.

PREREQUISITES

FIN 360, business school major.

A TYPICAL CLASS DAY

We generally begin by discussing relevant financial news and upcoming events in the class and at UR/Robins, then we proceed to the lecture. Come prepared by reading the provided lecture notes ahead of time as you may be called on to participate. I recommend hand-written (or tablet) notetaking.

MATERIALS

1. **Course Files:** (Required) <https://www.josephfarizo.com/fin366.html>
2. **Stock|Trak:** (Required): link provided in a separate document (~\$35)
3. **Financial Calculator:** (Required) TI BA II Plus tinyurl.com/fincalc366 (~\$45)
4. **WSJ Subscription:** (Required) education.wsj.com/search-students/ (free)
5. **Microsoft Office 365 (Word, Excel):** (Required) tinyurl.com/ur365office (free)
6. **Adobe Scan:** (Required) tinyurl.com/FIN366scan (free)
7. **Textbook:** (Recommended) *Investments, 13th edition. Bodie, Kane, Marcus.* (~\$59 - \$180)
<https://tinyurl.com/bkml3ed>

GRADED ASSESSMENTS

EXAMS (650 POINTS)

	Date	Expected Material	Points
Exam 1	Tuesday, 2/20	Efficient Markets & Behavioral Critique Markets & Indices Equities Fixed Income Options and Derivatives	200
Exam 2	Tuesday, 3/26	Investment Vehicles Risk and Return Capital Allocation Efficient Diversification Optimal Risky and Complete Portfolios Many Risky Assets and the Index Model	215
Exam 3	Thursday, 4/25	CAPM and Multifactor Models Equity Valuation: Intrinsic Values and DDM Equity Valuation: FCF and Comps Bond Prices and Yields Managing Bond Portfolios	235

Topics and dates subject to change depending on course pace.

A reference sheet with key formulas will be provided to you for all exams. Material that may be tested on exams includes:

- lectures, lecture notes, handouts
- professor and student discussions
- assigned outside readings
- computations similar to problem sets and Excel demonstrations
- course material as posted to the website
- relevant outside resources and websites discussed in class
- current events as covered in the *WSJ*

Exams 2 and 3 are cumulative. Exams are closed-book and closed-notes and may consist of:

- computations
- multiple-choice
- CFA® questions
- true/false and “select all that apply”
- short answer
- analyzing graphics and data

The instructor may notify students of additional topics that are tested prior to exams. You will *not* be tested on Excel formulas, Bloomberg, or programming (code) unless otherwise stated.

There is no written final exam during finals week. See the “Final Group Project” section below.

PROBLEM SETS (150 POINTS)

You will need to be in attendance to receive your personalized (unique to you) assignment. Late assignments are not accepted.

	Due Date	Material	Points
PS 1	Varies by Assignment, at 3pm on due date	Computational problems from relevant sections and coursework. You must show your work. Graded for correctness, with <i>some</i> partial credit available.	25 points each, total of 150 points
PS 2			
PS 3			
PS 4			
PS 5			
PS 6			

INDEPENDENT PROJECT (50 points)

In this course, we will learn about an investment’s *beta* β and *alpha* α . For this project, you will calculate and interpret betas and alphas by running regressions.

In your career, an ability to research on your own how to complete challenging tasks will be required. The goal of this project is for you to get comfortable with this process while enhancing your understanding of an important finance concept. Therefore, you will be expected to complete this assignment with little direct guidance from the professor. Several resources will be provided to help you research and complete this task.

The due date will be given in class, after we’ve discussed CAPM and Multifactor Models.

STOCK|TRAK TRADING GAME (50 points)

Throughout the semester, you will apply the techniques we learn about in class to construct and monitor a portfolio of securities. You will produce a report discussing your strategies and performance. A *small* portion of your grade is tied to how well you perform relative to your peers, with a few bonus points offered if you outperform the professor.

FINAL GROUP PROJECT (100 points)

The final group project is a real-world and practical application of what we cover in class. Presentations will be held during your normally scheduled final exam slot.

Normal Class Time	Presentation Date	Presentation Time
TR 10:30 am	Wed. May 1	2-5pm
TR 12:00 pm	Tues. Apr. 30	2-5pm

Presentation schedules *cannot* be adjusted to accommodate your end-of-semester travel arrangements, and you must present at the times indicated above. You must be in person. Please be sure to schedule all end-of-semester travel with this in mind.

RESUME

Please submit a resume by **Friday, January 19 at 3pm**. This resume should follow UR's template (available at josephfarizo.com/resume.docx).

PARTICIPATION & WSJ READINGS

Participation is not graded *per se*: I do not track and add/deduct participation points daily. However, a consistent failure to meaningfully participate when called upon may result in lost points at the end of the semester. You may also be expected to discuss *WSJ* articles in class on certain days.

GRADING SCALE

To calculate your final grade, add up your points across all assignments and compare the sum to the following table.

A 930+	B- 800	D+ 670
A- 900	C+ 770	D 630
B+ 870	C 730	D- 600
B 830	C- 700	F Below

OTHER ADJUSTMENTS

Points may be deducted from your final point score for the following reasons:

- (-10) Failure to attend a scheduled office hour appointment (you may cancel without penalty up to 12 hours before through the website). Does not include emergencies.
- (-10) Failure to submit a valid resume by **January 19 at 3pm** following UR's template.
- (-25) Consistent inability to meaningfully participate when called upon in class.
- (-30) Missing 3 or more class meetings without notifying me and without valid reason.

I take great effort to ensure fair grading. Grades may be curved up (this is *rare*) but are never curved down. The grade thresholds in the above table are absolute: you cannot petition for an 899 to be rounded up to an A-, nor a 799 to a B-, and so on. You must notify the instructor within one week of a graded assignment if you believe there was an error in your score on that assignment. No grading adjustments will be made after the semester has concluded, nor will any extra credit or bonus assignments be made available at that time.

EXPECTATIONS

WORKLOAD

Per the Registrar's Office:

“ An undergraduate unit is based on “time-on-task” as a standard and recognizes 10-14 hours per week as the minimum time that a typical good student should need to spend on a course, if that course is sufficiently challenging and if that student is to achieve a high level of learning. ”

You should therefore expect to work 10 to 14 hours per week outside of class time, *at a minimum*, to do well. An hour or two every day of uninterrupted and focused work is optimal.

ATTENDANCE

You are expected to attend and participate in class. Do not come to class if you feel ill. Notify me, and schedule appointments as necessary. Missing class can negatively impact your grade.

ACADEMIC HONESTY

Cheating on an assignment will result in a 0% score on that assignment. The student will be reported, which may result in probation, suspension, or expulsion from the University.

DEADLINES & MAKEUPS

Late assignments and missed exams receive a score of 0%. The **only** exceptions include (1) *serious* illness to you or an immediate family member (spouse by marriage, parent, sibling, grandparent), and (2) University-sponsored academic or athletic functions.

Advance notice and documentation must be provided when possible. Documented excuses will not be accepted if they are not provided within one week of the missed assignment.

All makeup exams are during finals week.

IN-CLASS RULES

To limit distractions in the classroom and to make the lecture periods as productive as possible:

- Please, *no chatting with neighbors* unless we break for discussion.
- Please, *do not exit and reenter the classroom during lectures*. If you must leave early, quietly exit the classroom, but do not reenter. You will be welcomed back to class on the next class day without question so long as it does not become a habit.
- Please, *do not access your phone* during class.
- Please, *only attend the section you are registered for*. While I teach two sections of this course, you must attend the section you are assigned.

FEEDBACK

I take feedback very seriously and offer multiple ways for you to let me know your thoughts anonymously. I occasionally send online surveys pertaining to your thoughts on the course. An online “Suggestion Box” is available at <https://forms.gle/yHUdfC9Cv3e3HsEH7> . Please take advantage of these opportunities to let me know how you feel. Unless otherwise (and clearly) specified, these surveys are anonymous.

TENTATIVE COURSE SCHEDULE

Week	Date	Agenda Items	
1	1/16	Efficient Markets & Behavioral Critique Markets & Indices Equities Fixed Income Options and Derivatives	
	1/18		
2	1/23		
	1/25		
3	1/30		
	2/1		
4	2/6		
	2/8		
5	2/13		
	2/15		
6	2/20		Exam 1
	2/22		
7	2/27		Investment Vehicles Risk and Return Capital Allocation Efficient Diversification Optimal Risky and Complete Portfolios Many Risky Assets and the Index Model
	2/29		
8	3/5		
	3/7		
9	3/12 – 3/14 No Class		
10	3/19		
	3/21		
11	3/26	Exam 2	
	3/28		
12	4/2	CAPM and Multifactor Models Equity Valuation: Intrinsic Values and DDM Equity Valuation: FCF and Comps Bond Prices and Yields Managing Bond Portfolios	
	4/4		
13	4/9		
	4/11		
14	4/16		
	4/18		
15	4/23		Exam 3
	4/25		
Finals	4/29 – 5/4		Final Project Presentations

All dates subject to change.

UNIVERSITY RESOURCES

ACADEMIC SKILLS CENTER

Helps students assess their academic strengths and weaknesses; hone their academic skills through teaching effective test preparation, critical reading and thinking, information processing, concentration, and related techniques; work on specific subject areas (e.g., calculus, chemistry, accounting, etc.); and encourage campus and community involvement. (asc.richmond.edu or call 289-8626 or 289-8956.)

CAREER SERVICES

Can assist you in exploring your interests and abilities, choosing a major, connecting with internships and learning experiences, investigating graduate and professional school options, and landing your first job. We encourage you to schedule an appointment with a career advisor during your first year. (careerservices.richmond.edu/ or call 289-8547.)

COUNSELING AND PSYCHOLOGICAL SERVICES

Assists students in meeting academic, personal, or emotional challenges. Services include assessment, short-term counseling and psychotherapy, crisis intervention, psychiatric consultation, and related services. (caps.richmond.edu or call 289-8119.)

SPEECH CENTER

Assists with preparation and practice in the pursuit of excellence in public expression. Recording, playback, coaching and critique sessions offered by teams of student consultants trained to assist in developing ideas, arranging key points for more effective

organization, improving style and delivery, and handling multimedia aids for individual and group presentations. (speech.richmond.edu or call 289-6409.)

WRITING CENTER

Assists writers at all levels of experience, across all majors. Students can schedule appointments with trained writing consultants who offer friendly critiques of written work. (Visit writing.richmond.edu or call 289-8263.)

BOATWRIGHT LIBRARY RESEARCH

LIBRARIANS

Assist students with identifying and locating the best resources for class assignments, research papers and other course projects. Librarians also assist students with questions about citing sources correctly. Students can schedule a personal research appointment, meet with librarians in the first floor Research and Collaborative Study area, email, text, or use instant messaging. (Visit libguides.richmond.edu/ or call 289-8669.)

DISABILITY SUPPORT SERVICES

If you believe you have a disability requiring an accommodation, please follow the procedures listed on the University of Richmond Disability Services website disability.richmond.edu/ to begin the accommodations process as soon as possible. If you already have a University of Richmond Disability Accommodation Notice (DAN), please make an appointment with me as soon as possible, so that I am aware of your accommodations. No student will receive accommodations of any kind without a DAN.



ROBINS SCHOOL OF BUSINESS LEARNING GOALS & OBJECTIVES

Learning Goal 1: Our graduates will be able to analyze and think critically to solve complex business problems. **O1.1** Students will produce solutions to business problems using appropriate analysis. **O1.2** Students will identify core issues, key stakeholders and their perspectives, and evaluate and apply evidence in support of a coherent position or recommendation.

Learning Goal 2: Our graduates will be effective communicators. **O2.1** Students will make a professional and effective oral presentation. **O2.2** Students will write a cogent analysis of a business or economic situation.

Learning Goal 3: Our graduates will possess the interpersonal skills needed to work effectively in a global and diverse business environment. **O3.1** Students will demonstrate an ability to work in teams and collaborate with others. **O3.2** Students will demonstrate an ability to make decisions considering the ethical implications and the impact on multiple stakeholders.

Learning Goal 4: Our graduates will demonstrate knowledge across the primary functional areas of business. **O4.1** Students will demonstrate an understanding of the functional areas of business in accounting, economics, finance, management, marketing, and analytics & operations.