The Cameron School of Business at University of St. Thomas

1. Course Information

Course Title: Investment Analysis

Course number: FINA 3350 (hybrid modality)

Course Section: N

Credit Hours: 3

Prerequisites: ACCT 1341, ECON 1331, ECON 1332, & 3hrs Math credit (MATH 1353, 1431, 1432, 2337, 2341, 3322, 3323, 3325, 3332, 3337).

Room #: Malloy Hall 014

Class meeting times: T., Th. 3:35 – 4:50 p.m. (some Thursdays will be held completely online, one week notice will be given for these days)

2. Instructor Information

Name: Dr. Daniel Perez Liston

Office location: Welder 208

Office phone: 713-942-3499

Office hours: Tue.: 2:00 p.m. – 3:30 p.m.; 5:00 p.m. – 5:30 p.m.
W.: 3:00 p.m. – 6:00 p.m.
Th.: 4:00 p.m. – 6:00 p.m.

E-mail: drperez@stthom.edu

3. Course Catalog Description

This course provides a comprehensive survey of modern developments in the theory and practice of investment management. It focuses on the impact of recent contributions to the theory of valuation of securities on the formulation of efficient investment strategies. The course begins by defining some key concepts and examining the structural characteristics of the investment environment in which investors operate. The course then moves on to lay down the analytical groundwork through reviewing portfolio and capital
asset pricing models. The remainder of the course essentially represents an application of these models to the valuation of different securities--stocks, bonds, options, and futures. In the process, the important concepts of stock beta, bond duration, and option pricing formula are introduced and their relevance to investment management discussed.

4. BBA Learning Goals

The Bachelors of Business Administration has five learning goals. When students complete the BBA degree at the University of St. Thomas:

1. They will communicate clearly, effectively and logically in a business situation:
   - Objective 1: Graduates can demonstrate mastery of appropriate communication technology.
   - Objective 2: Graduates can produce written materials that flow logically and are grammatically correct.
   - Objective 3: Graduates can deliver a compelling oral presentation grounded in relevant information and facts.

2. They will be adept at critical thinking and be able to demonstrate creative decision making skills.
   - Objective 1: Graduates can identify the main problem and key surrounding assumptions.
   - Objective 2: Graduates can evaluate the logic, validity and relevance of data.
   - Objective 3: Graduates can solve challenging problems and discuss conclusions, implications.

3. They will be able to work effectively in teams towards achievement of goals.
   - Objective 1: When working in a group, graduates can demonstrate collaborative behaviors in the achievement of group goals
   - Objective 2: When working in a group, graduates can evidence accountability for the achievement of group goals
   - Objective 3: When working in a group, graduates can demonstrate a positive attitude towards the group and the other members of the group

4. They will be able to state moral standards/principles, recognize possible moral issues and bring their moral knowledge to bear in resolving these moral issues.
   - Objective 1: Graduates can state professional codes for ethical conduct as they apply to business situations.
   - Objective 2: Graduates can discern moral issues in a business case.
   - Objective 3: Graduates can bring moral principles to bear in resolving business issues.

5. They will demonstrate an understanding of fundamental business issues and processes.
Objective 1: When students complete the BBA, they can demonstrate their management specific skills and competencies in Accounting, Economics, Management, Quantitative methods, Finance, marketing, Legal and Social Environments, Information System and Global Issues

The first four goals are assessed across the curriculum using a rubric based method. The fifth goal is assessed employing ETS Major Field Test

5. Course Learning Goals (and relationship to program goals and objectives)

Upon successful completion of this course, you will be able to:

- Communicate effectively by preparing financial projects and reports that can be used to aid financial decision makers (BBA Goal #1)

- Understand the modern theories of security valuation, and use this knowledge to make optimal financial decisions for business firms (BBA Goal #2).

- Recognize the strategic importance of modern risk management techniques in an increasingly risky global environment, and formulate appropriate hedging policies for business firms (BBA Goal #5).

6. Texts, Readings, Materials

Required readings, financial calculator, Simulator Package


- Students are required to purchase a portfolio simulator software. We will be using StockTrack, a portfolio software simulator. The cost is roughly $35. If you purchase the book new, it comes with a free StockTrack account. Here is the link to the software: [http://www.stocktrak.com](http://www.stocktrak.com)

  - StockTrack registration link: [http://www.stocktrak.com:80/members/registerstudent?className=FINASpring3350](http://www.stocktrak.com:80/members/registerstudent?className=FINASpring3350)

- A financial calculator with cash flow functions (NPV, IRR) is required. If you do not have a financial calculator, I recommend the Texas Instruments TI 83. I will be using this model of calculator for classroom demonstrations. If you use a different calculator make sure you have the manual, so that you may learn how to use it on your own or you can “google” instructions on how to use it.
7. Instructional methods

This course uses lectures, class discussions, and online learning modules to present the required materials. While the course covers some institutional material as background information, the emphasis throughout is on quantitative analysis and problem solving. Numerous problems are assigned and solved in the classroom, often with active student participation. In addition, the students are also required to prepare individual case studies.

8. Technology

1) Online data retrieval and/or research.

2) Use of general productivity software (e.g., Microsoft Office) to complete assignment.

3) Blackboard.

9. Course Tentative Schedule

<table>
<thead>
<tr>
<th>Course Calendar/Schedule</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section: Introduction</strong></td>
<td>(Week of…) 1/18</td>
</tr>
<tr>
<td>Syllabus</td>
<td></td>
</tr>
<tr>
<td>StockTrak Project Ch. 1: A brief history of risk and return</td>
<td>1/22</td>
</tr>
<tr>
<td>Ch. 13: Performance evaluation and risk management</td>
<td>1/29</td>
</tr>
<tr>
<td><strong>Section: Stock Markets</strong></td>
<td>2/5</td>
</tr>
<tr>
<td>Ch. 6: Common stock valuation</td>
<td>2/12</td>
</tr>
<tr>
<td><strong>Exam I</strong></td>
<td>2/19 (Tentative)</td>
</tr>
<tr>
<td><strong>Section: Portfolio Management</strong></td>
<td>2/26</td>
</tr>
<tr>
<td>Ch. 11: Diversification and risky asset allocation</td>
<td></td>
</tr>
<tr>
<td>Ch. 12: Return, risk, and the SML</td>
<td>3/5</td>
</tr>
<tr>
<td><strong>Section: Socially Responsible Investing Module</strong></td>
<td></td>
</tr>
<tr>
<td>Perez Liston and Soydemir (2010), Perez Liston, Huerta, and Haq (2014), and other readings</td>
<td></td>
</tr>
<tr>
<td><strong>Spring Break</strong></td>
<td>March 12-16</td>
</tr>
<tr>
<td><strong>Exam II</strong></td>
<td>3/19 (Tentative)</td>
</tr>
<tr>
<td><strong>Section: Interest rates and bond valuation</strong></td>
<td>3/26</td>
</tr>
<tr>
<td>Ch. 9: Interest rates</td>
<td></td>
</tr>
<tr>
<td><strong>Easter Break</strong></td>
<td>March 29-April 1</td>
</tr>
<tr>
<td>Ch. 10: Bond prices and yields</td>
<td>4/2</td>
</tr>
</tbody>
</table>
Statement on tentativeness of schedule:

The above schedule and procedures in this course are subject to change in the event of circumstances beyond the instructor's control.

10. Course Policies

1) Students are expected to attend every class. It is the student’s responsibility to keep informed of any announcements, syllabus adjustments, or policy changes made during scheduled classes. I maintain a blackboard site for this course and will do my best to post such announcements in a timely manner on the site. However, you are still responsible for all class announcements, not just those that get posted to the web site.

2) Please turn off your cell phones and all other electronic devices before entering the classroom.

11. Student Grading Processes

There will be three exams; two midterms, each worth 20%, and one final, worth 20%, of your final grade. In addition, you will be graded on the “StockTrack project” which is worth 25% of your grade. Homework is worth 15%. I will replace the lowest midterm exam grade with the final exam grade. If you know you will miss an exam for a legitimate reason, notify me as soon as possible, so we can make alternative arrangements. Without an explanation in advance, a make-up exam is unlikely to be allowed.

Final grade:  
93-100  A  
90-92  A-  
87-89  B+  
84-86  B
12. Available Support Services:

You can reach me during my office hours to discuss homework, lectures, or any other aspect of the class. In addition, you can reach me by phone and email.

**Academic Honesty** Ethical conduct is essential to a community of scholars and students searching for truth. Anything less than total commitment to honesty and honorable conduct undermines the efforts of the entire community. Academic integrity lies at the very heart of any institution of higher learning. In the Cameron School of Business, students and faculty are expected to commit to a code that exemplifies each individual’s honor and integrity. Any conduct that violates this standard and betrays the respect of others is a matter of grave concern and, accordingly, is deemed unacceptable.

**Accommodations** The University of St. Thomas abides by the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, which stipulates that no student shall be denied the benefits of an education “solely by reason of her or his disability.” If you have a documented disability that may impact your performance in this class and for which you may require accommodations, you must be registered with and provide documentation of your disability to Counseling and Disability Services which is located on the second floor of Crooker Center. Contact Debby Jones or Rose Signorello at 713-525-6953 or 713-525-3162.

**Tutorial Services** Students are encouraged to consult with tutors at the Learning and Writing Center when completing written assignments for this course. Based on the instructor’s assessment of the student’s written work, the student may be required to work with the tutors at the Learning and Writing Center to improve the student’s writing skills.
The Cameron School of Business at University of St. Thomas

MISSION STATEMENT

The Cameron School of Business will serve students of diverse backgrounds, providing them the necessary professional skills for a changing global economy, and instilling in them a deep appreciation for ethical behavior as the hallmark of a successful and fulfilling business career. The Cameron School will provide its students a timely and comprehensive business curriculum, with opportunities for specialized study in major business fields. The faculty will provide quality teaching, as this is the core of our mission. As an extension of our teaching mission, the faculty will engage in scholarly activity and service to the University, the profession, and the community.