

UNIVERSITY OF UTAH
DAVID ECCLES SCHOOL OF BUSINESS

Syllabus

Finance 3050: Introduction to Investments
- Spring 2021 -

Instructor: Da Huang

Office: BuC 012

Email: da.huang@eccles.utah.edu

Office hours: Please email me to setup a time

Meeting Time and Place:

Date	Time	Room
Tuesday and Thursday	09:10AM - 10:30PM	SFE 1180

Course Overview

The objective of Finance 3050 is to introduce the theory and practice of investments from the point of view of an investment/portfolio manager. We will begin with a review of asset classes, financial history, and preferences for risk. Next, we will have a brief review of statistics and finance. We will then apply these tools to examine the trade-off between risk and return and to develop and implement Modern Portfolio Theory. The major topics covered will include the Capital Asset Pricing Model (CAPM), Markowitz optimization, performance evaluation, and market efficiency. The last portion of the course will be devoted to fixed income securities including interest rates, bond valuation, and bond immunization. If we have time at the end of the semester, we will provide a brief introduction to volatility, repurchase agreements, and hedge funds.

The course is primarily conducted in the lecture/discussion format. Throughout the course, our focus will be on applying analytical tools to solve multi-step financial problems. Just knowing how to plug numbers into formulas or memorizing problems will not be sufficient for a passing grade in this course. In addition, there will be a reasonable amount of material that you will be responsible for that we will not have time to cover in class. Hopefully, most of this will be more information oriented rather than problem solving. Note that there are many variations to the basic problems and concepts that we cannot cover in class, so it is very important to understand *how* to apply the concepts.

Prerequisites

Before you register for this course, you must have completed FINAN3040 or BCOR3020.

This course contains a significant amount of technical material. We will use statistical tools, algebra, Bloomberg, and Excel. These techniques and tools are standard amongst investment professionals.

Course Material

- The textbook for the course is:
 - *Essentials of Investments*, 10th Edition, McGraw Hill, by Zvi Bodie, Alex Kane, Alan J. Marcus
 - ISBN-10: 0077835425
 - ISBN-13: 978-0077835422
- Throughout the semester, I will post course material and announcements on Canvas.
- All lecture slides will be posted on Canvas at least 12 hours before class. The slides are designed to be self-contained and you may print out the slides for **personal** use.

Readings

You should always reinforce the lectures by doing the readings, which will be assigned during class. You will notice that some topics that I consider to be very important will be covered in great detail. You are responsible for *all* the material covered in the assigned readings even if it is not directly covered in class. In addition, I strongly recommend that you regularly read one of the following *optional* publications: (i) *Bloomberg.com* (ii) *The Economist*.

Grading

The final course grade will be determined as follows:

Problem Sets (online)	15%
Group Project	35%
Midterm Exam (online)	15%
Final Exam	35%
Total	100%

- *In accordance with the David Eccles School of Business Statement of Grading Policy, the cumulative GPA for this course is predetermined and is set between 2.6 and 3.0.*
- I will provide details about the **group project** in a separate document and talk about it in the first class.
- The **problem sets** and **midterm exam** will be submitted on Canvas per the schedule on the last page.
- The **final exam** will be given in accordance with the university calendar (see the schedule)

The **midterm exam** will be conducted online, via Canvas. You will have 60 minutes to complete the exam. The exam is open book (you can use the lecture slides, your notes, your textbook, all course material, and a calculator). However, you **MUST** work alone. Anyone that receives assistance on the quiz from another person will receive a failing grade for the course and they will be reported to the Student Behavior Committee in accordance with the University of Utah Code of Student Rights and Responsibilities (Policy 6-400).

The **final exam** will be closed book and in-class during the University scheduled exam time. However you will be allowed a two-page note sheet and you will be allowed to use a non-programmable calculator. You will be allowed to put formulas, concepts, etc. on the note sheet, but you cannot copy entire problems onto the note sheet; I will ask you to turn-in your note sheet after the exam. In accordance with University Policy, students **must** take the final exam at the time and date officially scheduled by the University. The only exception to this policy is for students participating in officially sanctioned University activities or government obligations that

conflict with the final exam. If you have such a conflict, please provide documentation from the relevant department as early as possible.

Course Policies

- Students should not use laptops, tablets, PDAs, or other electronic devices during class for purpose unrelated to the class.
- Students are expected to keep their mobile phones and pagers turned off or on silent. Students should not answer phone calls or read/send text messages during class.
- Students are expected to arrive and be seated prior to the start of each class session.
 - Note: I will not take attendance however your participation is *extremely* important.
 - Often, I will solve problems in class. If you do not attend class, I will *not* provide the solutions for you. You must get them from someone who did attend class.
- There will be no make-up assignments or exams.
 - The assignments and the midterm exam allow a flexible time window so it is unlikely a student will not be able to complete them during the scheduled time.
 - In the event a student is unable to complete an assignment or the midterm exam for *any* approved absence (including emergencies, illness, etc.), then I will drop that assignment or midterm exam and re-weight the remaining credit to account for it. If you miss an assignments, the remaining assignments will be re-weighted to account for it; if you miss the midterm exam, the final exam will be re-weighted to account for it. The student **MUST** inform the instructor of their absence **PRIOR** to the assignment or midterm exam or they will receive a penalty of 15% off their final course grade.
 - In the event that a student is unable to attend the **final** exam, it is his/her responsibility to notify the instructor prior to the exam and with reasonable notice. At the discretion of the instructor, and only in extraordinary circumstances, the student may be allowed to take exams on a different date.

Re-grading Policy

All re-grade requests are due one week from when the assignment or exam was returned (no exceptions). For the final exam, re-grade requests will be accepted until the 1st day of class in the next semester (no exceptions). In making your requests, keep in mind that the entire exam or assignment is subject to re-grading. Thus, it is possible your score will be revised up or down. *Thoughtless re-grade requests will be assessed a penalty of 1% off the total possible points.*

Academic Integrity

Because of the importance of professional and ethical behavior in business, and its emphasis in our program, professional or academic misconduct is not tolerated in the David Eccles School of Business. Students are expected to adhere to the standards of behavior outlined in the University of Utah Code of Student Rights and Responsibilities (Policy 6-400). Students engaging in behavioral misconduct could be subject to suspension or dismissal from the University. Students involved in any form of academic misconduct, including but not limited to cheating on tests, plagiarism and collusion may, at the instructor's discretion, receive a failing grade in the course, examination, or academic assignment. In addition to or instead of this sanction, the instructor may refer the case to the Student Behavior Committee for hearing. If the instructor chooses not to do so, the Associate Dean for Academic Affairs, after appropriate investigation, may do so along with a recommendation to dismiss the student from the Business School. If, after hearing the evidence, the Committee determines that the student in question is guilty of the misconduct charged, the Committee may impose sanctions in addition to those taken by the professor. If the academic dishonesty is not proven, the instructor must rescind any sanctions imposed and will be required to evaluate the student's performance with the assumption that there has been no

misconduct. The School will treat the student likewise. If a student suspects another student of academic misconduct, he/she should refer the incident to the instructor, the appropriate department, the Associate Dean for Academic Affairs, or the Student Behavior Committee, administered by the Associate Dean of Students, 270 Union.

Americans with Disabilities Act Statement

The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the [Center for Disability Services](#), 162 Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.

All written information in the course can be made available in alternative format with prior notification to the Center for Disability Services.

Campus Safety

The University of Utah values the safety of all campus community members. To report suspicious activity, call campus police at 801-585-COPS (801-585-2677). You will receive important emergency alerts and safety messages regarding campus safety via text message. For more information regarding safety and to view available training resources, including helpful videos, visit safeu.utah.edu.

Addressing Sexual Misconduct

Title IX makes it clear that violence and harassment based on sex and gender (which includes sexual orientation and gender identity/expression) is a civil rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, color, religion, age, status as a person with a disability, veteran's status or genetic information. If you or someone you know has been harassed or assaulted, you are encouraged to report it to the Title IX Coordinator in the Office of Equal Opportunity and Affirmative Action, 135 Park Building, 801-581-8365, or the Office of the Dean of Students, 270 Union Building, 801-581-7066. For support and confidential consultation, contact the Center for Student Wellness, 426 SSB, 801-581-7776. To report to the police, contact the Department of Public Safety, 801-585-2677(COPS).

Undocumented Student Support Statement

Immigration is a complex phenomenon with broad impact—those who are directly affected by it, as well as those who are indirectly affected by their relationships with family members, friends, and loved ones. If your immigration status presents obstacles to engaging in specific activities or fulfilling specific course criteria, confidential arrangements may be requested from the Dream Center. Arrangements with the Dream Center will not jeopardize your student status, your financial aid, or any other part of your residence. The Dream Center offers a wide range of resources to support undocumented students (with and without DACA) as well as students from mixed-status families. To learn more, please contact the Dream Center at 801.213.3697 or visit dream.utah.edu.

Online Homework (Called Quizzes in Canvas)

Five times during the semester there will be an online homework assignment to test your basic understanding of the assigned reading material. Note—each assignment takes place *online*. It is open book and the questions are all based on material in the textbook. Thus, reading the assigned chapters and attending class regularly should guarantee a good performance on the homework assignments. Some questions may refer to material we have not yet covered in class. See the course schedule on the last page for the due dates. You can access the Homework using the “Quiz” feature on Canvas.

The purpose of problem sets is to help you learn the material, thus, you will be able to attempt each assignment an unlimited amount of times prior to the due date and your last attempt will count as your grade. To assist with this goal, I will post detailed solutions in a timely manner. However, because I will post solutions, late assignments will receive 0% credit.

The first assignment (HW#1) is incredibly easy by design. It asks questions about the course syllabus to make sure you have read it and agree to it. Throughout the semester, I will follow the terms and conditions in the syllabus, and I expect you to follow them too.

Copyright

My lectures and course materials, including presentations, tests, exams, outlines, and similar materials, are protected by copyright. I am the exclusive owner of copyright in those materials I create. I encourage you to take notes and make copies of course materials for your own educational use. However, you may not, nor may you knowingly allow others to reproduce or distribute lecture notes and course materials publicly without my express written consent. This includes providing materials to commercial course material suppliers such as CourseHero and other similar services. Students who publicly distribute or display or help others publicly distribute or display copies or modified copies of an instructor's course materials may be in violation of University Policy 406, The Code of Student Responsibility. Similarly, you own copyright in your original papers and exam essays. If I am interested in posting your answers or papers on the course web site, I will request your written permission.

Electronic video and/or audio recording is not permitted during class unless the student obtains permission from the instructor. If permission is granted, any distribution of the recording is prohibited. Students with specific electronic recording accommodations authorized by the Office of Disability Services do not require instructor permission; however, the instructor must be notified of any such accommodation prior to recording. Any distribution of such recordings is prohibited.

Additional Resources

The David Eccles Business School has tutors that can help you with this course. For more details, see <http://eccles.utah.edu/programs/undergraduate/business-tutoring-center/finance-tutoring/>

Note: the tutors do not help at the last second. You need to meet with them well in advance of final exams, quizzes, etc.

About COVID-19:

Face coverings are required in all in-person classes for both students AND faculty.

Based on CDC guidelines, the University requires everyone to wear face coverings in shared public spaces on campus, including our classroom. As a reminder, when I wear a face covering, I am protecting you. When you wear a face covering, you are protecting me and all of your classmates. If you forget your face covering, I will ask you to leave class to retrieve it. If you repeatedly fail to wear a face covering in class, I will refer you to the Dean of Students for a possible violation of the Student Code. Note that some students may qualify for accommodations through the Americans with Disabilities Act (ADA). If you think you meet these criteria and desire an exception to the face covering policy, contact the [Center for Disability and Access](#) (CDA). Accommodations should be obtained prior to the first day of class so that I am notified by CDA of any students who are not required to wear a face covering.

Please note that face shields alone are not an acceptable form of face covering unless also worn with a covering or mask for the nose and mouth.

Students are encouraged to wash their hands, use hand sanitizer, and clean their desks with wipes, which will be available at classroom entrances and at “sanitizing stations” in multi-use buildings, including Marriott Library.

Read more information about the building cleaning schedule on coronavirus.utah.edu.

Per university policy, you must self-report if they test positive for COVID-19 via this website: <https://coronavirus.utah.edu/>.

Course Schedule*

The course schedule is outlined below. Chapters refer to Bodie, Kane, and Marcus (BKM) – 10th Edition.

#	Date	Overview	Readings & Notes
1	Tuesday, 1/19	Intro and Review	BKM 1, 2
2	Thursday, 1/21	Intro and Review	BKM 1, 2
3	Tuesday, 1/26	Intro and Review	BKM 1, 2
4	Thursday, 1/28	First Group Presentation	See Group Project handout for details
5	Tuesday, 2/2	First Group Presentation	See Group Project handout for details, HW#1 due
6	Thursday, 2/4	First Group Presentation	See Group Project handout for details
7	Tuesday, 2/9	History of Risk and Return	BKM 5
8	Thursday, 2/11	Securities Trading	BKM 3, 4
9	Tuesday, 2/16	Securities Trading	BKM 3, 4
10	Thursday, 2/18	Securities Trading	BKM 3, 4
11	Tuesday, 2/23	Mutual Funds	BKM 4, HW#2 due
12	Thursday, 2/25	Mutual Funds	BKM 4
13	Tuesday, 3/2	Risk Allocation	BKM 6
14	Thursday, 3/4	Portfolio Theory	BKM 6
15	Tuesday, 3/9	Portfolio Theory	BKM 6
16	Thursday, 3/11	Portfolio Theory	BKM 6
17	Tuesday, 3/16	Portfolio Theory	BKM 8, HW#3 due
18	Thursday, 3/18	Midterm Exam	Open book open note. Must work alone. Conducted during class time.
19	Tuesday, 3/23	Portfolio Evaluation	BKM 18
20	Thursday, 3/25	Fundamental Analysis	BKM 14
21	Tuesday, 3/30	Fundamental Analysis	BKM 14
22	Thursday, 4/1	Market Efficiency	BKM 8
	Saturday, 4/3	Behavioral Finance	BKM 9
23	Thursday, 4/8	Second Group Presentation	See Group Project handout for details
24	Tuesday, 4/13	Second Group Presentation	See Group Project handout for details
25	Thursday, 4/15	Second Group Presentation	See Group Project handout for details
26	Tuesday, 4/20	Fixed Income	BKM 16, HW#4 due
27	Thursday, 4/22	Wrap-up and review session	
28	Thursday, 4/29	Final Exam	Exam is cumulative and close book.

* The schedule is subject to change, depending on how we progress throughout the semester.