

CALIFORNIA STATE UNIVERSITY, FULLERTON
MIHAYLO COLLEGE OF BUSINESS AND ECONOMICS
Department of Finance

Finance 340 Introduction to Investments

Class Meets: SGMH 2508, Monday and Wednesday, 1:00 – 2:15 pm

Instructor: Ajay Bhootra	Phone: (657) 278-8618
Office: SGMH 5193	E-mail: abhootra@fullerton.edu
Office Hours: Monday: 2:30-3:30 pm Wednesday: 2:30-3:30 pm, 5:30-6:30 pm	Send an email for appointment to meet outside of office hours.

Course Description

FIN 340 will provide you with a thorough basic understanding of the theory and practice of investments. Topics include asset classes and securities markets, risk and return, modern portfolio theory, asset pricing, stock and bond valuation, options, mutual funds and portfolio performance evaluation, international investments, and behavioral finance. The goal is to equip you with a set of tools and analytical skills that will help you think about and frame investments decisions.

Prerequisite: Finance 320

Classes are subject to administrative audit at anytime during the semester. Any unqualified student will be administratively dropped

Class Format

The course will combine lecture as well as discussion format. Your regular attendance as well as active participation in the class is mandatory. Please read the assigned material in advance, so that you are prepared to ask and answer questions. You should also keep abreast of current market events and I encourage you to share any relevant material/news/information with the class for discussion.

Textbook

Required - *Essentials of Investments* (Bodie, Kane, and Marcus), 8th Edition, McGraw-Hill Irwin
Highly recommended – Subscription to Wall Street Journal.

All class materials, announcements, grades and other information will be posted on the blackboard. You can access blackboard through your Fullerton portal. You can login to your portal at <http://www.fullerton.edu>.

Grading Policy

Quizzes/Excel Exercises	12%	
Portfolio Project	8%	
Midterm #1	25%	March 7
Midterm #2	25%	April 18
Comprehensive Final	30%	May 14

1. Plus /minus grading will be used in this course. You are guaranteed at least the following grade if your weighted average course score falls within the following percentiles: A+=4.0 98-100%; A=4.0 94-97%; A-=3.7 90-93%; B+=3.3 88-89%; B=3.0 84-87%; B-=2.7 80-83%, C+=2.3 78-79%, C=2.0 74-77%; C-=1.7 70-73%; D+=1.3 68-69%, D=1.0 64-67%; D-= 0.7 60-63%; F=0.0 less than 60%

Additionally, a curve may be applied to these scores.

2. I will assign homework problems in class for you to work on. While these will not be collected for grading, I expect you to work on them and be prepared to discuss them in class.
3. The exams will comprise of two sections: (1) multiple choice questions, and (2) essay and numerical questions. I will provide details in class before each exam. **NO MAKE-UP EXAMS WILL BE GIVEN.** Valid excuses (typed, signed and verified) for missed exams will be considered in the final grading. The course outline lists dates for the exams. You are responsible for taking the exams whenever they are given, even if the date changes from this syllabus. You must take each exam with the section in which you are enrolled.
4. There will be 3 multiple-choice quizzes during the semester. In addition, there will be in-class excel exercises which will count towards your grade.
5. The portfolio project is designed to give you a basic (and somewhat simplified) understanding of real-world portfolio management. The project will require you to manage a portfolio of stocks (to keep things simple, we will focus only on stocks, and not worry about bonds, options, or other instruments). Additional details of the project will be provided separately.

Assessment

The main purpose of the degree program at the Mihaylo College of Business & Economics (MCBE) at Cal State Fullerton is to provide you with the knowledge and skills that prepare you for a successful career in business. In order to assist us in achieving this goal, we will use a number of assessment tools to track your progress throughout the MCBE curriculum. Please expect to participate in MCBE assessment activities in several of your courses while at MCBE. As you do so, you will assist us in identifying our program's strengths and weaknesses as well as areas for potential improvement. In other words, you are making an important investment in the value of your degree.

Course Policy

1. Dates and terms for withdrawal from this class are as outlined for the MCBE in the Course Schedule.
2. Academic dishonesty, as defined by University policy in the 2005-2007 CSUF Catalog, will result in appropriate University level disciplinary and academic action. The Department of Finance requires that students engaging in academic dishonesty receive a grade of F. In addition, Department policy requires that all individuals engaging in academic dishonesty be reported to the Vice President, Student Affairs.

Academic dishonesty takes place whenever a student attempts to take credit for work that is not his/her own or violates test-taking rules. Examples of academic dishonesty during test taking include looking at other student's work, passing answers among students or using unauthorized notes. When students sitting next to each other have identical answers, especially the same mistakes, this may indicate academic dishonesty.

Course Outline (Tentative)

Date	Lecture	Assigned Reading
01/23 01/25	Introduction to Investments	Chapter 1
01/30 02/01	-Asset classes and Securities -Security Markets	Chapters 2, 3
02/06 02/08	Risk and Return	Chapter 5
02/13 02/15	Diversification	Chapter 6
02/20 02/22	-No Class due to President's Day Holiday -Diversification	Chapter 6
02/27 02/29	-Capital Asset Pricing Model	Chapter 7
03/05 03/07	- Review of Midterm # 1 -Midterm # 1	
03/12 03/14	-Excel Exercises in Class -Market Efficiency	Chapter 8
03/19 03/21	-Market Efficiency	Chapter 8
03/26 03/28	No Class – Spring Break	
04/02 04/04	-Introduction to Options and Option Pricing	Chapters 15,16
04/09 04/11	-Mutual Funds	Chapter 4
04/16 04/18	-Review of Midterm # 2 -Midterm # 2	
04/23 04/25	-International Investments	Lecture Notes
04/30 05/02	- Portfolio Performance Evaluation	Chapter 18
05/07 05/09	-Behavioral Finance and Other Topics -Review of Final Exam	Chapter 9
05/14	-Final Exam	SGMH 2508, 2:30-4:20 pm