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Fall 9-2015

### **BFIN 420.02: Investments**

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**Finance 420**  
**University of Montana**  
**School of Business Administration**  
**Syllabus, Fall Semester 2015**

**Professor:** Dr. Keith Jakob

**Course Title:** Investments

**Class Time:** Section 1- 12:40-2:00 MW, Section 2- 2:10-3:30 MW

**Classroom:** GBB L14

**Office:** GBB 318      **Phone:** (406) 243-6159

**Email:** keith.jakob@business.umt.edu

**Web Page:** <http://www.business.umt.edu/FacultyStaff/KeithJakob.aspx>

**Office Hours:** Monday and Wednesday: 11:00 a.m. – 12:30 p.m. I will also be available by appointment. If I am in my office please feel free to stop by.

### Course Overview

Finance 420 is designed to be a foundation course in the field of investment analysis for the undergraduate student. Upon completion of this course, students should have an understanding of security pricing, portfolio formation, investment terminology and various concepts underlying the valuation of securities in a dynamic marketplace.

### Course Prerequisites

Completion of lower core & grade of C or better in BFIN 322.

### Required Materials

**Text:** Bodie, Z., Kane, A., Marcus, A., Essentials of Investments, 9th ed., Irwin/McGraw-Hill

**Homework Manager:** This comes with the new text when purchased at the bookstore. It can also be purchased with an ebook at my connect site. Simply hit “register now”. **With Connect Plus you can buy the connect homework tool and the complete Ebook for \$125.00.**

<http://connect.mheducation.com/class/k-jakob-sections-1-and-2-1>

**Calculator:** A financial calculator is needed. Only two models are acceptable. I will use the TI BA II Plus. You may also use the TI BA II Plus Professional Model. No other device will be tolerated during exams. No other calculators, PDAs, cell phones or high tech gadgets!

### Attendance

Your attendance and participation are essential to an understanding of the course material. Students who do not attend my class on a regular basis generally earn much lower grades. I expect to see you in this class! Please sit in the same spot for each session, and bring and display your table “name tag” to every session for the whole semester!!! This will help me to get to know you.

## **Grading**

Final class grades will be based on the following:

Homework Manager Connect Assignments	(13%)
Midterm 1	(29%)
Midterm 2	(29%)
Final Exam	<u>(29%)</u>
	(100%)

Individual exams will not be assigned letter grades. A final curve may be given at the discretion of the professor. Exam grades will be posted on Moodle after each exam. Online Homework grades can be viewed on the Connect system.

## **Textbook Homework**

Regular ungraded textbook homework will be assigned. The weekly reading and these exercises must be done in order to do well on exams. Come prepared to discuss (with a loud and clear voice!) chapter assignments each week and to go over assigned problems in class. Do the problems before we discuss them! Students who do not complete the homework on a regular basis earn much lower grades.

## **Homework Manager**

Homework manager questions for this class are on:

<http://connect.mheducation.com/class/k-jakob-sections-1-and-2-1>

These homework problems are worth 13% of your overall grade. You can redo these assignments as many times as you would like before each due date. You can also see if you have the answer correct before you move onto the next question. (use check my work) It will only show the correct answer when you actually grade the assignment. I will keep your best score for each assignment. The Connect tool can change the numbers in the problem each time you re-attempt the assignment. The due dates for the assignments will be listed on the Connect website. Grades for these assignments can be checked on the Connect website and will NOT be added to Moodle. Remember, 13% is enough to move from an A to a B-. No assignments will be dropped!

## **Exams**

The exams will consist mostly of problem solving and short-answer conceptual questions.

## **Mission Statements and Assurance of Learning**

The University of Montana's School of Business Administration enhances lives and benefits society by providing a world-class business education in a supportive, collegial environment.

We accomplish this mission by acting on our shared core values of creating significant experiences, building relationships, teaching and researching relevant topics, behaving ethically, and inspiring individuals to thrive.

As part of our assessment process and assurance-of-learning standards, the School of Business Administration has adopted the following learning goals for our undergraduate students:

Learning Goal 1: SoBA graduates will possess fundamental business knowledge.

Learning Goal 2: SoBA graduates will be able to integrate business knowledge.

Learning Goal 3: SoBA graduates will be effective communicators.

Learning Goal 4: SoBA graduates will possess problem solving skills.

Learning Goal 5: SoBA graduates will have an ethical awareness.

Learning Goal 6: SoBA graduates will be proficient users of technology.

Learning Goal 7: SoBA graduates will understand the global business environment in which they operate.

### **Course Learning Goals**

- Students should have an understanding of security pricing.
- Students should demonstrate necessary skills related to portfolio formation.
- Students should be knowledgeable about investment terminology.
- Students should be able to employ various concepts underlying the valuation of securities in a dynamic marketplace.

***Exam Conduct*** – Students must take exams on their regularly scheduled days unless they have an excused absence. Excused absences ONLY include (1) University-approved absences, (2) documented health emergencies, (3) civil service such as military duty and jury duty, and (4) other emergencies deemed appropriate by the instructor. In all cases, the instructor must be notified prior to the exam unless the emergency makes such notification infeasible. During the exam, you may not leave the room for any reason. Doing so results in the conclusion of that student's exam. Students must use an approved calculator (see required materials section above). If a student forgets a calculator, the student will work the math by hand. Electronic dictionaries, cell phones, tablets, laptops, notes, or other assistive items are not allowed. Students may be using Scantron forms to complete a portion of each exam, and the Scantron form must be completed prior to the exam end time. For these questions, only answers on the Scantron are graded, so complete it with care.

***Academic Misconduct*** -- All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University. The University of Montana Student Conduct Code specifies definitions and adjudication processes for academic misconduct and states, "Students at the University of Montana are expected to practice academic honesty at all times." All students need to be familiar with the Student Conduct Code. It is the student's responsibility to be familiar with the [Student Conduct Code](http://www.umt.edu/vpsa/policies/student_conduct.php) (found online at [http://www.umt.edu/vpsa/policies/student\\_conduct.php](http://www.umt.edu/vpsa/policies/student_conduct.php)).

The School of Business Administration endorses academic honesty as a pillar of integrity crucial to the academic institution. Academic honesty is an important step towards developing an ethical backbone needed in a professional career. Failure to practice academic honesty is considered academic misconduct. Academic misconduct will be penalized to the fullest extent. Students are expected to:

- Be knowledgeable of activities that are considered academic misconduct, as defined in section V.A. of the UM Student Conduct Code,
- Practice academic honesty on all exams, quizzes, homework, in-class assignments, and all other activities that are part of the academic component of a course,
- Encourage other students to do the same.

Confusion may arise in what is and is not academic misconduct. Students should ask if they are unsure if a behavior will be viewed as academic misconduct. A good rule of thumb is that any credit-earning activity in a course should represent the true skills and ability of the person receiving the credit. A partial list of situations that are considered academic misconduct is in the [SoBA Professional Code of Conduct](http://www.business.umt.edu/Soba/SoBAEthics/CodeofProfessionalConduct.aspx) (found online at <http://www.business.umt.edu/Soba/SoBAEthics/CodeofProfessionalConduct.aspx>). If at any point a student is unsure if working with another student is permissible, that student should contact the instructor before doing so.

**Disability Services for Students** -- Students with disabilities will receive reasonable modifications in this course. The student's responsibilities are to request them from me with sufficient advance notice and to be prepared to provide official verification of disability and its impact from Disability Services for Students. Please speak with me after class or during my office hours to discuss the details. For more information, visit the website for the office of [Disability Services for Students](http://www.umt.edu/dss/) (found online at <http://www.umt.edu/dss/>).

**Grievance Procedures** – The formal means by which course and instructor quality are evaluated is through the written evaluation procedure at the end of the semester. The instructor and department chair receive copies of the summary evaluation metrics and all written comments sometime *after* course grading is concluded. Students with concerns or complaints during the semester should first communicate these to the instructor. This step almost always resolves the issue. If the student feels that the conflict cannot be resolved after meeting with the instructor, the student should contact the department head. If, after speaking with the department head and the instructor, the student still feels that the conflict has not been resolved, contact the Associate Dean of the School of Business Administration.

**FIN 420 Business Finance**  
**Course Schedule - Fall 2015 (DATES SUBJECT TO CHANGE!)**

<b>Week</b>	<b>Date</b>	<b>Day</b>	<b>Topic</b>	<b>Chap.</b>	<b>text problems</b>
1	31-Aug-15 2-Sep-15	Monday Wednesday	Financial Securities “ ”	2	12-29 and 32
2	7-Sep-15 9-Sep-15	Monday Wednesday	<b>NO CLASS</b> Securities Markets	3	<b>Labor Day</b> 12-26
3	14-Sep-15 16-Sep-15	Monday Wednesday	“ ” Mutual Funds	4	11-29
4	21-Sep-15 23-Sep-15	Monday Wednesday	“ ” Risk and Return	5	5-19
5	28-Sep-15 30-Sep-15	Monday Wednesday	“ ” Review 2-5		
6	5-Oct-15 7-Oct-15	Monday Wednesday	<b>EXAM 1 (Ch. 2-5)</b> Diversification	6	5-14 and 19-20
7	12-Oct-15 14-Oct-15	Monday Wednesday	“ ” CAPM and APT	7	1-7 and 9-26
8	19-Oct-15 21-Oct-15	Monday Wednesday	“ ” Efficient Markets	8	1-23
9	26-Oct-15 28-Oct-15	Monday Wednesday	“ ” Review 6-8		
10	2-Nov-15 4-Nov-15	Monday Wednesday	<b>EXAM 2 (Ch. 6-8)</b> Bonds	10	1-28
11	9-Nov-15 11-Nov-15	Monday Wednesday	“ ” <b>NO CLASS</b>		<b>Veterans Day</b>
12	16-Nov-15 18-Nov-15	Monday Wednesday	Equity Valuation " "	13	1-25
13	23-Nov-15 25-Nov-15	Monday Wednesday	Options " "	15	1-28
14	30-Nov-15 2-Dec-15	Monday Wednesday	Option Valuation <b>NO CLASS</b>	16	1-31 <b>Thanksgiving</b>
15	7-Dec-15 9-Dec-15	Monday Wednesday	Option Valuation Cont. Review 9-10, 15-16		
16	14-Dec-15 16-Dec-15	Monday Wednesday	<b>Final 1:10-3:10</b> <b>Final 1:10-3:10</b>	<b>SEC. 1 (Ch. 10,13,15,16)</b> <b>SEC. 2 (Ch. 10,13,15,16)</b>	