FINANCE 331—INVESTMENTS
Instructor: Jeffrey Stark

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INCLUDE FIN 331 IN SUBJECT LINE FOR ALL E-MAILS!
Failure to do so may result in accidental deletion of your email.

Webpage: New lecture notes will be posted on SIU Online in advance of each class;
Important announcements will also be emailed;

Class Meeting time and place
TR 11:00am – 12:15 pm in Rehn 326

Office hours: T 1:30 – 2:30 and by appointment

TEXTBOOK:
Essentials of Investments, 9th edition, by Bodie, Kane and Marcus, McGraw-Hill

COURSE DESCRIPTIONS:
This course is an introduction to investments with three objectives: 1) To familiarize students with a vocabulary of terms and basic concepts of investments; 2) To demonstrate applications of those terms and concepts; 3) To provide various tools, resources, and foundations needed to be a successful finance professional.

Topics include financial instruments, financial institutions, securities markets, Markowitz portfolio theory, capital asset pricing model, market efficiency hypothesis, active/passive investment, bond pricing, derivative pricing, and equity pricing.

EXAMS:
There will be 3 exams. Questions on the exams may include true/false, multiple choice, short answers, calculations and/or essays. Exams will cover issues addressed in class AND those covered in the required reading. Exams are close-book, not cumulative, but later exams may inevitably touch the material covered earlier.

During the exams, no formula sheet will be given and you may only have pen and pencil, blank scratch paper, eraser, and a calculator. A financial calculator should be obtained for use in this class (TI BAII +). There will be no sharing of calculators in the course. I recommend that you carry an extra battery with you at all times. Calculator batteries have a habit of dying in quizzes and exams.

During the exams, you may not check the computer or any other electronic device (including your cell phone), nor may you open any book or any notebook. A simple touch of anything mentioned above will be considered cheating. If you need more scratch paper or another pen, please let me know first. Academic dishonesty will NOT be tolerated. Any suspected cases of academic dishonesty will be referred to the Dean and an F will be recommended as the minimum penalty.
CURRENT EVENT:
Each class one student will present a 5 to 10 minute summary on a current event related to investments. This will be an informal presentation designed to get students familiar with what is happening in the world of investments as well as to improve public speaking skills. Use of power point or additional resources is not necessary.

PROJECTS:
Three projects will be assigned later in the course. These projects will cover different aspects of the course and will be provided at least 1 week prior to the due date. Students will have the choice to complete these projects in small groups or individually. Each group or individual will be required to present their projects to the class. This will be a formal presentation with power point. Presentations should last between 10 and 15 minutes will ALL members of the group speaking. Failure to present on your assigned day will result in a 0.

BLOOMBERG CERTIFICATION:
This course will utilize the new Bloomberg terminals located in Rehn 326. All students must obtain a Bloomberg Certification on the basics as well as on 1 additional topic which interests the student. Proof of completion must be obtained for credit to be given. A demonstration on how to obtain proof will be given.

OFFICE VISITS:
Any subject of discussion is permissible during office visits with two exceptions: (1) If you miss a class, I will not answer questions about material covered that day – you are on your own. (2) I will not discuss forthcoming exam material in the office or outside of class. All students will have the same information concerning exams, so ask questions concerning forthcoming exams in class. You may discuss the material in the assigned chapters or from lectures during office visits.

GRADING:
Exam 1: 20 points
Exam 2: 20 points
Exam 3: 20 points
Current Event: 5 points
Project & Presentation #1: 10 points (Crisis)
Project & Presentation #2: 10 points (Efficient Portfolio)
Project & Presentation #3: 10 points (Options)
Bloomberg Certification 5 points

Total: 100 points

The final grade scale is: A>=90; B>=80; C>=70; D>=60; F<60.

I WILL TREAT EVERYONE WITH RESPECT. IN RETURN, I EXPECT THE BASIC MANNERS FROM YOU. THESE INCLUDE:

1. Absolutely NO newspaper reading, internet surfing, text messaging, chatting, studying for another class during lecture time. Please do not bring beepers or cell phones to class. If you must bring them, please turn off the sound. I do not want to see or hear your cell phones
during class (e.g. *do not check your text messages or use your phones for any reason in class*). If your cell phone rings, you may be asked to leave the class for the remainder of the class period. Cell phones may not be visible during exams or quizzes.

2. All excuses for absences on exam dates require **OFFICIAL** documentation and **PRIOR** authorization from the instructor at least two weeks before the exam. This requirement will be strictly enforced. No early or makeup exams will be permitted.

**ACADEMIC DISHONESTY**
Academic dishonesty will **NOT** be tolerated. Students found guilty of committing acts of academic dishonesty will receive an \textit{F} in the course and risk suspension from SIUC. Examples of academic dishonesty include, **but are not limited to**; plagiarism, possession or use of others’ projects (even a part of) to work as their own, talking to others during an exam, and looking at others' exam papers.

**BONUS: TRADING SIMULATION AND EXCEL DDM APPLICATION**
Each student is recommended to open an account at [www.investopedia.com/simulator/](http://www.investopedia.com/simulator/). It’s free. You play with fake money but real securities. The purpose of the game is for you to get familiar with trading, not necessarily to make profits. After signing up and login, click ‘simulator’, and search for game name “Fin331Stark”. You need to enter the game password “stark” to join the game. You can check on your performance, transaction history and your ranking as compared to other players of the game. If you do not want your real name to show in the rankings, pick an alias as your login name. This simulation is a great application to turn what we learn in class into the investment practice and is highly recommended for this course. On May 1st, you are required to turn in a copy of your trade history together with an Excel worksheet applying the dividend discount model on one of your stocks in your portfolio for up to 3 bonus points. Detailed instructions on DDM will follow soon.

Bonus points will be assigned as follows:

- If you finish the semester with >$50,000 you can earn up to the full 3 bonus points if you submit the completed assignment.
- If you finish the semester with <$50,000 you can earn up to 1 bonus points if you submit the completed assignment. This is to prevent students from investing in the riskiest assets in an attempt to win the game.
- If you finish the semester as the top rated player in the course you will earn an additional 3 bonus points and if you are the runner up you will get an additional 2 bonus points and the third place finisher will get an additional 1 point, for a maximum total of 6 bonus points from the simulation.

**Important Dates (Subject to Change)**
- 2/13/14  Exam 1
- 3/8 – 3/16  Spring Break (No Classes)
- 3/27/14  Exam 2
- 5/1/14  Simulation Project Due at Beginning of Class
- 5/5/14  Final Exam