FINANCE 331—INVESTMENTS
Xiaoxin Wang Beardsley, Ph.D.
Associate Professor of Finance and Hamilton Family Faculty Fellow in Finance
(First Name Pronunciation: Shaw Shin)

Office: 128A Rehn Hall
Telephone: 618-453-1422
Email: For general questions such as making appointments for office hours: xwang@business.siu.edu;
To turn in assignments only: teachingx@yahoo.com; PLEASE DO NOT EMAIL TO xwang@siu.edu;

Webpage: New lecture notes will be posted on D2L in advance of each class;
Important announcements will also be posted;
Make sure you check D2L frequently (at least every other day) so as not to miss any announcements or lecture notes.

Class Schedule: Tuesday and Thursday, 11:00am-12:15pm, Rehn 326
Office hours: Tuesday and Thursday, 12:20pm-1:50pm or 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 two objectives: 1) To familiarize students with a vocabulary of basic concepts and theories of investments; 2) To demonstrate applications of those concepts and theories. Topics include U.S. stock markets, the financial crisis of 2008, investment firms, Bloomberg market data service, risk and return calculation, Markowitz Portfolio Theory, Capital Asset Pricing Model, Market Efficiency Hypothesis, active/passive investment, and security valuation models.

EXAMS
There will be three exams. Questions on the exams will include True/False, multiple choice, short answers, calculations and/or essays. Exams will cover issues addressed in class and assigned as extra reading materials, no matter whether they are in the textbook or not. This is not a course you can get a decent grade simply by reading the book on your own and showing up on exam dates. Exams are close-book (no formula sheet is allowed), not cumulative, but later exams may inevitably touch the material covered earlier.

GROUP PROJECTS
There will be two group projects. Each group will be assigned to contain 2-3 members. One project is on the application of Markowitz Portfolio Theory, and one project is on security valuation. Detailed requirements for the projects will be posted when the corresponding material is covered. Each project will have a test on each student’s knowledge about the project at the due time and the test score counts into that student’s project score. To best prepare for the test, each student is required to complete the entire project through discussions among group members, though the final submission is one project per group.
ATTENDANCE
Attendance makes up 5% of your grade (5 points out of 100). Each absence without valid reason (deemed by the instructor) and timely submission of the official documentation after the first absence will result in a 1-point deduction, till your attendance score goes to zero.

GRADING
Exam 1: 20%,
Exam 2: 25%,
Exam 3: 20%,
Project 1: 20%,
Project 2: 10%
Attendance: 5%
Bonus: Bloomberg essentials online training program certificates---3%

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

BONUS: BLOOMBERG ESSENTIALS TRAINING CERTIFICATIONS
Bloomberg is a mass media corporation based in New York City (http://www.bloomberg.com/company/). Bloomberg provides financial tools such as security analysis, security trading platform, live and historical data feeds and news around the world through the Bloomberg Terminal. Bloomberg terminals are widely utilized in the investment industry. The Bloomberg Essentials Online Training Program is Bloomberg’s online school, teaching the basics of Bloomberg system and functionality. You are required to view the training videos and take the tests afterwards. If you pass the core exam and one of the Equity, Fixed Income, Foreign Exchange and Commodity tests, you will earn a 1.5% bonus point. Any additional test passed with a certification is worth an additional 0.5% bonus point.

ASSIGNMENTS SUBMISSION
Both an e-copy and a paper copy are required for assignment submission. E-copies are to be submitted to teachingx@yahoo.com; paper copies are to be submitted in person in class. Any submission past due time will be assessed a penalty.

ACADEMIC DISHONESTY
Academic dishonesty will NOT be tolerated. Students found guilty of committing acts of academic dishonesty will receive an F in the course and risk suspension from SIUC. Examples of academic dishonesty include, but are not limited to: plagiarism, knowingly furnish false information to the instructor, 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.

POSTING GRADES
SIUC dawgtag numbers (85xxxxxxx) will be used to post grades of the entire class during the semester. If you have any question about this grade posting method, please let me know asap.
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, or chatting in class. I will instruct you on the use of the computers and the Bloomberg terminals when the need arises in class.

2. Each excuse for class absence requires timely submission of the OFFICIAL documentation and approval of the instructor. If no official documentation is provided timely or the excuse for the absence is not approved by the instructor, one-point attendance score will be deducted and the student is FULLY responsible for making up the missed class material, i.e., I will NOT go over anything with you, not on the same day, not on the next day, and definitely not before the exam or assignment due date.

3. Every student is required to come to class ON TIME. Should a student need to leave class early, he/she is expected to let me know IN ADVANCE.

4. Since each student can earn up to 3% bonus points, any other argument about more curves, extra credits or bonus points is unnecessary: especially for students who do not show efforts during the semester and require anything extra in the end, the answer will be an absolute NO. No student will be given an advantage over others by having the opportunity to obtain additional extra credit. Incomplete grades will NOT be given except under appropriate circumstances and approved by the instructor.

TRADING ROOM KEY FOB
You will need access to the Bloomberg terminals (most of them are in Rehn 326, the trading room) for your projects. You can get a key fob to the COB building and the trading room with a $5 deposit for access whenever the room is not in use, including weekends and late nights. Please go to the finance department to obtain the key fob. Please allow for up to a few days for the key fob to be activated. Therefore, please do not wait till assignment due dates to obtain the key fob.

OTHERS
For detailed information on important semester dates, student conduct code, and emergency procedures, please refer to the following link:

TENTATIVE COURSE OUTLINE: (This schedule is **subject to change**)

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/20</td>
<td>Syllabus and Topic 1</td>
</tr>
<tr>
<td></td>
<td><strong>Topic 1 (Ch.1,2,3)</strong> U.S. Stock Markets and Trading Basics</td>
</tr>
<tr>
<td></td>
<td><strong>Topic 2 (Ch.4)</strong> Investment Firms</td>
</tr>
<tr>
<td></td>
<td><strong>Topic 3 (Ch. 5)</strong> Risk and Return</td>
</tr>
<tr>
<td>2/19</td>
<td><strong>Exam I</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Topic 4 (Ch. 6)</strong> Markowitz Portfolio Theory</td>
</tr>
<tr>
<td></td>
<td>Excel application of Markowitz Portfolio Theory</td>
</tr>
<tr>
<td></td>
<td><strong>Spring Break</strong></td>
</tr>
<tr>
<td><strong>March 17</strong></td>
<td><strong>Project 1 due at the beginning of class; Test on your knowledge about the project;</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Topic 5 (Ch. 7)</strong> CAPM</td>
</tr>
<tr>
<td>3/31</td>
<td><strong>Exam II</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Topic 6 (Ch. 8)</strong> Market Efficiency, Passive and Active Investment</td>
</tr>
<tr>
<td></td>
<td><strong>Topic 7 (Ch. 13)</strong> Fundamental Analysis and Equity Valuation Models</td>
</tr>
<tr>
<td>5/7</td>
<td><strong>Project 2 due at the beginning of class Test on your knowledge about the project;</strong></td>
</tr>
<tr>
<td><strong>Finals week, 5/14,</strong> 10:15am-12:15pm</td>
<td><strong>Bloomberg certifications due at the beginning of the exam (for bonus points)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Exam III</strong></td>
</tr>
</tbody>
</table>