I. Catalog Description and Credit Hours of Course:

This course is an introduction to the theory and application of investment principles. Special attention will be given to risk-return tradeoff, market efficiency, fundamental analysis, asset allocation, security selection, and speculative investments. (3 hours)

II. Prerequisites: FI361 with an minimum grade of “C” and QM 257 with a minimum grade of "C".

III. Purposes or Objectives of Course:

A. To comprehend the fundamental investment process, the role of investment plans, key investment vehicles, and the importance of meeting liquidity needs. (*BSBA Goal: Knowledge of the fundamentals of accounting, finance, business law, MIS, marketing, management, and economics.*)

B. To gain an understanding of the financial marketplace, to study the techniques of securities analysis and selection as it applies to an asset allocation strategy. (*BSBA Goal: Application of critical thinking skills to business problems and ethical dilemmas.*)

C. To apply the concepts of risk and return in developing an investment strategy or style. (*BSBA Goal: Application of critical thinking skills to business problems and ethical dilemmas.*)

D. To introduce the techniques for building and evaluating an investment portfolio. (*BSBA Goal: Knowledge of the fundamentals of accounting, finance, business law, MIS, marketing, management, and economics.*)

E. Provide and introduction to derivative securities from both a speculative and risk management perspective. (*BSBA Goal: Knowledge of the fundamentals of accounting, finance, business law, MIS, marketing, management, and economics.*)
IV. Student Learning Outcomes

Upon completion of this course, students should be able to:

A. Solve problems related to common stock valuation concepts and apply concepts to determine the intrinsic value of common stock using multiple valuation techniques.

B. Solve problems related to fixed income valuations and calculate returns from fixed income investments under both passive and active strategies.

C. Solve problems related to asset allocation models for portfolio management and calculate the expected return and standard deviation over a range of asset allocations.

V. Expectations of Students:

A. General: Each student is expected to perform professionally with reference to attendance, participation, compliance with assignments, etc. This is a professional course and requires a professional attitude on the part of the student. This means that the assigned material should be read with discrimination, intellectual curiosity, reflective thinking and critical analysis.

B. Readings: Each student is expected to have knowledge of the current economic and business environment in which will live. Students are required to keep up-to-date via their preferred media outlet (examples include: Wall Street Journal, Financial Times, Bloomberg, Yahoo Finance, CNBC, CNN etc…)

VI. Course Content or Outline: Suggested Time In 50 Minute Periods

A. Investment Environment 3
B. Risk and Return 4
C. Modern Portfolio Concepts 4
D. Portfolio Management 6
E. Fixed Income Valuation 6
F. Equity Analysis and Valuation 9
G. Market Transactions 4
H. Derivative Securities 4
I. Exams and Other 5
VII. Text(s) or Other Required Materials or Equipment:

B. Financial Calculator

VIII. Basis for Student Evaluation:

A. Examinations
B. Assignments