COURSE DESCRIPTION:

This course will serve as an introduction to the process of investing from a point of view of a portfolio manager as well as an individual investor. During the semester, you will develop an understanding of the tools used in modern investment theory and practice, as well as gain a better understanding of the risk and limitations of even the most thorough investment analyses. Course topics can be viewed according to the following three major sections:

1. The Investment Environment and Asset Classes,
2. Portfolio Theory and Practice
3. Measuring Portfolio Performance

REQUIRED TEXTBOOK:


- Stock Trak Global Market Simulation (for realistic real-time trading competition): http://www.stocktrak.com:80/members/registerstudent?className=RMBA18

RECOMMENDED MATERIALS:

NOTE: The following are NOT required, but recommended.

You should read The Wall Street Journal as it is a premier source of most business and finance related news. Substantial student discounts are available at the WSJ student rates subscription page. I will refer periodically to various WSJ content. Although not required, a subscription to The Wall Street Journal is highly recommended. Your future boss and colleagues are all reading it NOW!

You should also read something with a broader and more global focus. I strongly recommend The Economist, which also offers substantial student subscriptions. The Financial Times is another excellent source of finance news. Visit the Financial Times Education contact page and contact them regarding a student subscription for the semester, if not for the year.

TEACHING METHODS:

The material presented in the textbook provides the essential backbone of the course. However, much of your time will be devoted to activities that flesh out the material presented in the text. For this teaching
approach to work, it is necessary that you read all textbook material assigned for a class *before* taking the first assignment. Reading all assigned material should be your first priority, doing all other assigned homework on-time, consulting with the professor immediately when you need help, and class participation via discussion forum and StockTrak trading are strongly recommended actions for the student to excel in this course.

**Syllabus updates and other course communication:**

All changes and announcements will be made through the course website on Canvas. If you do not use your rutgers.edu email domain for your email address, please insure that you forward messages to whatever email address you use. Handouts will be post on Canvas from time-to-time. You are responsible for keeping up with this course. Be sure to check the course web site on a daily basis.

**COURSE GOALS AND OBJECTIVES:**

The finance area at the School of Business – Camden has adopted the following Learning Goals and Objectives for Finance 540.

**Course-level objective 1: Identify and explain the Investment Process and Investing Environment.**

Module-level objectives: Students will be able to:
1. Develop an investment policy statement for an individual and institutional investor
2. Appraise a required and desired return for an individual and institutional investor
3. Determine an appropriate asset allocation for the investor
4. Recommend passive or active management approaches for the portfolio
5. Prepare performance measurement and evaluation frequency, and implement portfolio rebalancing activities

**Course-level objective 2: Identify and explain Major Asset Classes and Financial Instruments.**

Module-level objectives: Students will be able to:
1. List and describe the three traditional asset classes
2. List and describe various alternative asset classes
3. Categorize the unique features of equity, fixed income, and cash instruments
4. Categorize the unique features of alternative assets and derivative instruments

**Course-level objective 3: Identify and explain Trading of Individual Assets and Mutual Funds.**

Module-level objectives: Students will be able to:
1. Explain the various venues available for trading financial instruments.
2. Describe the process of executing an equity or bond transaction.
3. Define the bid-ask spread and determine its effect on trading liquidity.
4. Distinguish between limit, market, stop-loss, stop-gain, and other transaction types.
5. Distinguish between open-end and closed-end investment companies

**Course-level objective 4: Identify, explain and apply Capital Market Basics.**

Module-level objectives: Students will be able to:
1. Describe historical risk-return tradeoff patterns of various asset classes.
2. Integrate concepts of utility in capital allocation decisions.
3. Explain and construct the capital market line.
4. Illustrate an investment frontier using 2 assets.
5. Use single-index models to describe risk-return characteristics.
Module-level objectives: Students will be able to:
1. Relate capital market line concepts to a security market line framework.
2. Generate security returns using the Capital Asset Pricing Model.
3. Distinguish between CAPM and Multi-Factor pricing models.
4. Describe the three forms of market efficiency and highlight various market anomalies observed.
5. Identify the impacts of behavioral finance and technical analysis on security valuation.

Course-level objective 6: Identify and explain how to measure Portfolio Performance.
Module-level objectives: Students will be able to:
1. Recognize basic measures of performance.
2. Relate performance to its various sources including security selection and market timing.
3. Compose an appropriate benchmark for determining value added decisions.
4. Evaluate the effectiveness of portfolio decisions by connecting to original IPS objectives and constraints.

STUDENTS WITH DISABILITIES
Students who are seeking an accommodation because of a disability are directed to the website http://learn.camden.rutgers.edu/disability/disabilities.html or they can contact the Camden campus Disability Coordinator, Mr. Tim Pure at 856-225-6442, Armitage Hall Room 362. The email address is disabilityservices@camden.rutgers.edu. All contact will be considered confidential.

COURSE REQUIREMENTS:

1. EXAMS:

   There will be three exams – two regular midterm exams and a final. Each will consist of questions designed to test understanding of the facts and concepts of the course and how they can be applied to practical investment problems.

   The first midterm exam will cover the course material from Chapter 1 through 4. The second midterm will cover the material from chapters 5, 6,7 and 9. The final exam is not cumulative and will cover material presented in the remaining four modules.

   Academic Integrity:

   “Academic integrity requires that all academic work be wholly the product of an identified individual or individuals. Joint efforts are only legitimate when the assistance of others is explicitly acknowledged…The principles of academic integrity entail simple standards of honesty and truth. Each member of the university has a responsibility to uphold the standards of the community and to take action when others violate them…Students are responsible for knowing what the standards are and for adhering to them. Students should also bring any violations of which they are aware to the attention of their instructors.”

Students are expected to know, understand and adhere to the policies on academic integrity outlined above. Procedures for violation of these policies outlined in the University Code of Academic Conduct will be followed.

Exam Make-up Policy:
If, for a university approved reason, you cannot take an exam at the scheduled time you must give the professor written notice at least one week in advance so that other arrangements can be made. If the situation does not allow for advance notification (for example, emergency hospitalization), contact the professor as soon as possible after a missed exam. Make-up exams for non-university approved reasons are not guaranteed. I reserve the right to request written documentation to support your absence (such as a doctor’s note, an obituary, or military orders).

2. DISCUSSIONS:
It is expected that you will contribute often to class discussions. Your online forum comments should be thoughtful and should reflect your careful reading of the assigned course material. Each individual discussion is worth approximately 2% of your overall course grade.

3. PROJECT:
You will have to complete a major course project broken up into four specific parts. Each of these parts is worth 5% of your overall course grade for a total of 20% (the entire project).

4. WEEKLY QUIZZES:
You will have to complete a weekly quiz for each chapter reviewed throughout the course. These quizzes randomly pull 10 multiple-choice questions from a larger pool, and have a 30-minute time limit. Each individual quiz is worth approximately 2% of your overall grade.

GRADING:
For the assignment of final grades, the course requirements will be weighted approximately as follows:

Discussions .................. 25%
Quizzes ....................... 25%
Project ....................... 20%
Midterm Exam I ............ 10%
Midterm Exam II ............ 10%
Final Exam ................ 10%

90-100% ......................... A
85-89% .......................... B+
80-84% .......................... B
75-79% .......................... C+
70-74% .......................... C
Less than 70% ................. F
ADMINISTRATIVE DETAILS:

- **[January 23, 2018]**: Last day to DROP a course without a W grade.
- **[April 2, 2018]**: Last day to DROP courses with a W grade and without academic penalty.
- Any students in need of classroom accommodations due to disabilities should see Associate Dean Nathan Levinson in BSB248. You may also contact him by Email at nlevinso@camden.rutgers.edu or by phone at 856-225-6216.