

---

## Investment & Portfolio Management

52:390:540:90

Fall 2024

**Instructor:** Shweta Srinivasan

**Office Hours:** Tuesdays and Thursdays 2 pm – 3 pm eastern, or by appointment

**Email:** [shweta.srinivasan@rutgers.edu](mailto:shweta.srinivasan@rutgers.edu)

**Phone:** (856) 225-2732

---

**Course Description:** This course introduces students to the basic principles of security and investment analysis. The objective of this course is to understand the overall investment process. During the semester, we will cover concepts needed to evaluate investment choices. We will discuss the similarities and differences between various financial securities, and theories and techniques of pricing them.

**Instructor Access and Office Hours:** I will be available on Zoom during my office hours. The best way to reach me outside of office hours is via email. While I will try to respond as soon as possible, please be aware that it could take up to 48 hours for me to get back to you. To ensure that your email doesn't accidentally end up in my spam folder, please use your Rutgers email address when you email me.

**Learning Goals:** This course will cover the following main topics:

1. The investment process: Develop an investment policy statement by considering issues like risk and return tradeoffs, resource constraints, and asset allocation.
2. Risk and return: Understand statistical concepts needed to calculate risk and returns, learn how to measure risk and return of individual securities as well as portfolios.
3. Asset classes and financial instruments: Recognize the major asset classes and their similarities and differences, understand the financial markets for these major asset classes, and how to price these assets.
4. Portfolio performance evaluation: Learn to compute portfolio expected returns and variances, understand risk management techniques, and apply portfolio management principles to create diversified portfolios.
5. Alternative investments: Discuss alternative asset class and what qualifies as an alternative investment and recognize the differences between traditional and alternative

asset classes.

6. **Market trends and investment strategies:** Analyze current market trends and their impact on investment strategies and be able to devise appropriate investment strategies that align with client goals.

### **Course Materials and Resources:**

1. *Required textbook:* Essential of Investments by Bodie, Kane, and Marcus (McGraw Hill, 12<sup>th</sup> edition). This textbook is currently in the 12<sup>th</sup> edition, but previous editions will work as well.
2. *Financial Calculator:* A financial calculator, although highly recommended, is not required. If you have not used a financial calculator before, please take the time to familiarize yourselves with the user manual. I recommend the TI BA II Plus, but TI 83 or a comparable graphing calculator will work as well. The financial calculator must have at least the PV, FV, PMT, NPV, IRR, and cash flow registry capabilities.
3. *Course Website:* The course website on Canvas will be used as an important channel to disseminate course-related information. I will also upload syllabus and other relevant materials on Canvas. I will also make announcements about any changes in schedules, assignments, policies, etc. via Canvas. It is the students' responsibility to regularly check the site for important information and updates. Please make sure that you have enabled notifications for this course.

**Homework Assignments:** Homework will be assigned periodically. All homework will be assigned through Canvas and will be due a week from the date assigned. To effectively keep up with the coursework and get the most out of this class, it is important that you complete the assignments by their due date.

**Exams:** There are two midterm exams for this course. Each exam is non-cumulative and is worth 10% of your final grade.

**Discussions:** To get the most out of this class, you are expected to participate often in class discussions. We will use Yellowdig (accessed through the course Canvas page) for our discussions. Your comments on the forum should reflect your understanding of the relevant course materials and should be made with the intention of meaningfully contributing to the discussion.

**Quizzes:** There will be a quiz at the end of each module. Each quiz will consist of about ten multiple-choice questions that test your understanding of the key concepts in that module and will have a time limit of twenty minutes.

**Stock Pitch Presentations:** Towards the final grade for this course, each student will present a stock pitch making a buy/hold/sell suggestion for an assigned stock. The presentation will account for 20% of your final grade. The goal of the stock pitch is to use concepts of fundamental analysis and stock valuation to assess the viability of investment in a company's common stock. ***These presentations will be on Zoom and will be a synchronous component of this course.*** The presentations will take place in the first two weeks of December. Midway through the semester, I will reach out to assign each student a company's stock and to schedule presentations.

**Exam Make-up Policy:** ***There will be no makeup exams or makeup assignments for unexcused absences.*** Exams and homework will be available for up to a week for you to complete. If you are going to be absent/unavailable on the day a homework assignment is due, you are responsible for finishing and submitting it on or before the due date. You must provide at least a week's notice if you need to miss an exam for a university approved reason and need an alternate date. I will try to accommodate last-minute excused absences on exam or quiz days as best as I can. ***To qualify for extensions on exams and assignments, where applicable, you must provide valid documentation like a doctor's note, police report, or airplane ticket etc. prior to the absence.***

**Grade Determination:** Your grade in this class will be determined as follows:

Exam1	10%
Exam2	10%
Homework	20%
Quizzes	20%
Discussions	20%
Stock Pitch	20%

Letter grades will be assigned as follows:

90 – 100%	A
85 – 89%	B+
80 – 84%	B
75 – 79%	C+
70 – 74%	C
Less than 70%	F

## Academic integrity:

The Academic Integrity policy can be found at

<https://camden.rutgers.edu/deanofstudents/academic-integrity/>

***Students are responsible for understanding the principles of academic integrity and abiding by them in all aspects of their work at the University.*** Students are also encouraged to help educate fellow students about academic integrity and to bring all alleged violations of academic integrity they encounter to the attention of the appropriate authorities.

Academic Integrity means that you (the student) must:

- Properly acknowledge and cite all use of the ideas, results, or words of others,
- Properly acknowledge all contributors to a given piece of work,
- Make sure that all work submitted as your own in a course activity is your own and not from someone else,
- Obtain all data or results by ethical means and report them accurately, and
- Treat all other students fairly with no encouragement of academic dishonesty.

Adherence to these principles is necessary to ensure that:

- Everyone is given proper credit for their ideas, words, results, and other scholarly accomplishments,
- All student work is fairly evaluated, and no student has an inappropriate advantage over others,
- The academic and ethical development of all students is fostered, and
- The reputation of the University for integrity is maintained and enhanced.

Failure to uphold these principles of academic integrity threatens both the reputation of the University and the value of the degrees awarded to its students. Every member of the University community therefore bears a responsibility for ensuring that the highest standards of academic integrity are upheld. Violations are taken seriously and will be handled according to University policy.

### **Artificial Intelligence Use:**

The use of generative AI tools (e.g. ChatGPT, Dall-e, etc.) is permitted in this course for the following activities:

- As part of an assignment that explicitly requires the use of Gen AI tools
- Brainstorming and refining your ideas
- Fine tuning your research questions
- Finding information on your topic
- Drafting an outline to organize your thoughts, and
- Checking grammar and style.

The use of generative AI tools is ***not permitted*** in this course for the following activities:

- Impersonating you in classroom contexts, such as by using the tool to compose discussion board prompts assigned to you or content that you put into a Zoom chat/ Yellowdig forum.
- Completing group work that your group has assigned to you, unless it is mutually agreed upon that you may utilize the tool.
- Writing a draft of a writing assignment.
- Writing entire sentences, paragraphs or papers to complete class assignments.

You are responsible for the information you submit based on an AI query (for instance, that it does not violate intellectual property laws, or contain misinformation or unethical content). Your use of AI tools must be properly documented and cited in order to stay within university policies on academic honesty. Any assignment that is found to have used generative AI tools in unauthorized ways based on guidelines in this syllabus will be subject to report of a violation of Academic Integrity and thus the appropriate adjudication. When in doubt about permitted usage, please ask for clarification.

### **Etiquette expectations from online students:**

The following protocols on the codes of behavior reflect professional business norms on manners, courtesy, and respect. (*In general, you should treat others as you would like others to treat*

***yourself. Be mindful that what is acceptable in a text or chatroom with friends may not be appropriate in a classroom or in an online conversation with an instructor.)***

Even though many of you are already aware of these protocols, they are explicitly stated here so that everyone is cognizant of the same protocols. These protocols should be followed by all students taking this course to help ensure the online experiences for everyone involved are pleasant. They are as follows:

- If you were to send an e-mail to the professor/tutor, please address the person appropriately such as “Dr. ....” or “Mr./Ms. ....”, not ‘Hey’. Note that I will address you with your first name, unless you prefer that I address you differently.
- When sending an e-mail, you can get better attention by using the following guidelines:
  - Use descriptive subject lines, (I am sure you have received a lot of Spam e-mails and I have occasionally and accidentally deleted student e-mails that I thought was Spam.)
  - Please be as brief as possible by going straight to the point, and if possible, limit the use of attachments.

***Never send offensive and insulting messages\**** (this is a violation of the Student Code of Conduct). If you disagree, say so and state your reasons. Social media is a very powerful tool for communication. However, it can be badly misused if it is not used correctly or professionally. For example, you may have personal and legitimate concerns with this course. However, other students, who do not have similar feelings, can be negatively influenced by your concerns. This will unnecessarily and negatively affect their overall experience of the course. Therefore, to minimize such an occurrence, please feel free to directly contact the instructor/tutor first to resolve any concerns that you may have to help ensure that everyone’s online experience of this course is beneficial.

- Always guard against inciting others when it comes to content, opinions, etc. That is, avoid blaming or accusing others of wrongdoing.
- Do not start a volley of back-and-forth e-mails, with copies distributed to every student in the class.
- Copy the minimum number of people. That is, send e-mails to only the people you think should receive and will benefit from it.
- Treat all e-mails and postings as permanent forms of written record and do not expect that any your e-mail communications to be private, unless stated otherwise. Instead, assume that all e-mail communications are public.
- Do not publicize your own or others’ personal information (such as email, phone numbers, last names, etc.)

**Student Code of Conduct:**

Rutgers University-Camden seeks a community that is free from violence, threats, and intimidation; is respectful of the rights, opportunities, and welfare of students, faculty, staff, and guests of the University; and does not threaten the physical or mental health or safety of members of the University community, including in classroom space.

As a student at the University, you are expected adhere to the Code of Student Conduct. To review the code, go to: <https://deanofstudents.camden.rutgers.edu/student-conduct>.

Note that the conduct code specifically addresses disruptive classroom conduct, which means "Engaging in behavior that substantially or repeatedly interrupts either the instructor's ability to teach or student learning. The classroom extends to any setting where a student is engaged in work toward academic credit or satisfaction of program-based requirements or related activities."

**Students with Disabilities:**

The University is committed to supporting the learning of all students and faculty will provide accommodations as indicated in a Letter of Accommodation issued by the Office of Disability Services (ODS). If you have already registered with ODS and have your letter of accommodations, please share this with me early in the course. If you have or think you have a disability (learning, sensory, physical, chronic health, mental health or attentional), please contact <https://success.camden.rutgers.edu/disability-services>.

Accommodations will be provided only for students with a letter of accommodation from ODS. Their services are free and confidential. Letters only provide information about the accommodation, not about the disability or diagnosis.

### Course Schedule:

Module	Topic	CFP PKT	Exams
Week 1-2		A.3, D.27, D.30	
1	Introduction to asset classes and financial instruments		
2	Returns – How to compute and summarize returns		
3	Risk – How to compute and implications		
4	Correlation and Covariance		
Week 3-4		D.28, D.29, D.30	
5	Risk and Return of a portfolio		
6	Efficient Diversification		
7	Return, risk, and the SML		
8	Capital Asset Pricing Model		
9	Application of CAPM and other multifactor models		
			Exam 1
Week 5-6		D.32	
10	Market Efficiency		
11	Behavioral Finance and Technical Analysis		
12	Equity Valuation		
Week 7-8		B.11, D.27, D.29, D.32	
13	Interest rates – Some basics		
14	Intro to Bond prices and yields		
15	Duration, Convexity, and Credit Environment		
			Exam 2
Week 9-10		B.11, D.31, D.33, D.34	
16	Performance eval and risk mgmt.		
17	Strategic vs Tactical asset allocation		
18	Portfolio optimization and investment strategies		
Week 11-12		D.35	
19	Intro to Alternative Investments		
20	Risk and returns of alternative investments		
21	Current trends in alternative investments		
Week 13-14			
Stock pitch presentations			