

THE UNIVERSITY OF ALABAMA
FI 415 Spring 2008
Advanced Investment Topics and Portfolio Management

Instructor: Daniel Bray
Office Hours: By appointment
Class Hours: Tuesday 5:00 – 7:30 p.m.
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Course Prerequisites: FI 302 Business Finance, FI 414 Investments

Course Description: This course will provide an in depth study of the pricing of fixed income instruments and the management of fixed income portfolios and the pricing of equity securities and the management of equity portfolios. It will also provide an overview of basic derivative securities and option pricing.

Objectives: At the conclusion of the course, students will be able to

1. Become conversant in basic financial market terminology.
2. Understand asset classes and financial instruments.
3. Determine the expected return and risk of portfolios that are constructed by combining risky assets with risk-free investments.
4. Understand the Efficient Market Hypothesis.
5. The relationship between bond prices and yields.
6. Experience decision making, via “paper trading”, in arbitrage and trading scenarios.
7. Become familiar with active vs. passive investment management.
8. Understand International investment strategies.

Textbook:

Bodie, Kane, and Marcus, Essentials of Investments, 7th Edition, McGraw Hill Irwin with the Student Problem Manual
Jack D. Schwager, Stock Market Wizards

Grading Procedures (to include the following):

<u>Exams and Other</u>	<u>Percent of Final Grade</u>
Midterm	25
Final	25
Projects	25
Homework	25

Make-Up Policy:

Make up for any homework, project reports, and exams are allowed only of prior written consent is obtained.

Attendance Policy:

Regular and on time attendance is required for each class session. Attendance at examinations is mandatory. In the absence of an appropriately documented personal medical emergency, absences from exams must be approved by the instructor at least 48 hours in advance and appropriate documentation of any approved absence must be provided.

Disability Accommodation:

Students with disabilities are encouraged to register with the Office of Disability Services, 348-4285. Thereafter, you may schedule an appointment with the instructor to discuss accommodations and other special needs.

Classroom Conduct:

The Code of Student Conduct requires that students behave in a manner that is conducive to a teaching/learning environment. Students who engage in behavior that is disruptive or obstructive to the teaching/learning environment will be subject to disciplinary sanctions outlined by the Code of Student Conduct. Disruptive/obstructive behavior is not limited to but may include the following: physical abuse, verbal abuse, threats, stalking, intimidation harassment,

hazing, possession of controlled substances, possession of alcoholic beverages...*(You may also include a statement detailing any behavior that you consider to be particularly disruptive or annoying such as cell phones, beepers, reading the newspaper, etc.)*

Academic Integrity:

The University of Alabama is committed to helping students to uphold the ethical standards of academic integrity in all areas of study. Students agree that their enrollment in this course allows the instructor the right to use electronic devices to help prevent plagiarism. All course materials are subject to submission to Turnitin.com for the purpose of detecting textual similarities. Turnitin.com will be used as a source document to help students avoid plagiarism in written documents.

<u>Date</u>	<u>Topic</u>
1/15	Introduction to class Investments: Background and Issues
1/22	Asset Classes and Financial Instruments Securities markets
1/29	Mutual Funds and Other Investment Companies Risk and Return
2/5	Efficient Diversification Capital Asset Pricing
2/12	The Efficient Market Hypothesis Behavioral Finance and Technical Analysis
2/19	Midterm
2/26	Bond Prices and Yields Managing Bond Portfolios
2/26	Macroeconomic and Industry Analysis Equity Valuation
3/04	Financial Statement Analysis Project Lab
3/11	Options Markets Options Valuation
3/18	Spring Break
3/25	Project Due Futures Markets and Risk Management
4/01	Project Lab
4/08	Performance Evaluation and Active Portfolio Management
4/15	Globalization and International Investing
4/22	Project Due
4/29	Taxes, Inflation, and Investment Strategy Investors and the Investment Process
5/06	Final Examination 7:00pm – 9:30pm