

BUS 442 - Invest
Course Syllabus
Spring 2010



Richard E. and Sandra J.
DAUCH COLLEGE OF BUSINESS AND ECONOMICS
Undergraduate • MBA • Evening/Weekend • Gill Center

ASHLAND UNIVERSITY
DEPARTMENT OF FINANCE
BUS 442: Investment Portfolio Management II
Spring 2010

ORGANIZATION:

Instructor: Thomas W. Harvey, DBA

Voice: 419-289-5229

Office: 103 Dauch

E-Mail: tharvey@ashland.edu

Hours: MW 3P - 6P

Others as scheduled

Class: 113 Dauch

Center for Financial Education

12N – MWF

3P - MWF

PRE-REQUISITE:

Bus 432 - Investment Portfolio Management I

Approval of Professor

READING MATERIALS:

NASD Stockbroker Exam - Series 7 Preparation Guide. Thomson South-Western. Includes Prescriptive CD and Drill and Paractice Guide CD. 2004. ISBN 0324224443

LeFevre, Edwin. *Reminiscences of a Stock Operator*. New York: John Wiley & Sons, 1994.

Fox, Justin. *The Myth of the Rational Market*. New York: HarperBusiness, 2009.

Lowenstein, Roger. *When Genius Failed: The Rise and Fall of Long Term Capital Management*. New York: Random House, 2001.

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OTHER MATERIALS

Financial calculator - HP or Texas Instruments

Computer access to spreadsheet and word processing programs

COURSE DESCRIPTION

Course Objectives

1. To become competent in portfolio construction, management, and protection, working with the Eagle Investment Group portfolio, tracking performance and reporting results
2. To understand the theory of portfolio, construction, and protection, including portfolio theory, investment theory and policy, diversification theory, efficient market theory, etc.
3. To become familiar with analytical techniques and tools that will assist in the construction, management, and protection of the Eagle Investment Group portfolio
4. To construct, manage, and protect individual investment portfolio, tracking and reporting results
5. To study and prepare for the Series 7 Securities License examination.

COURSE COMPETENCIES

- A. College of Business
 1. Specialized business knowledge
 2. Managerial thinking skills
 - a. Logical thinking
 - b. Conceptual thinking
 - c. Application of theories and concepts to managerial problems and solutions
 3. Communication
 - a. Oral
 - b. Written
 4. Integrity
- B. Department of Finance
 1. Interpersonal skills
 2. Tact and diplomacy
 3. Ethics

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- C. Business 442 - Investment Portfolio Management
1. Efficiency orientation
 2. Proactivity
 3. Diagnostic use of concepts

METHODOLOGY

Students will read all assigned materials prior to class. These materials will be the subject of interactive class dialogue in which students will present the major subjects, provide an interpretation of them, and offer insights from previous experience. Throughout each class, there will be questions posed for the students, and it is expected that each one will participate to the degree that s/he wishes. Part of the grade for this course will depend on it.

Throughout each dialogue, there will be conversation about the discussion questions that conclude each chapter in the text. Thus, students will be asked to apply what they read in preparation and what they learned in class. The main objective is to assist in the learning of interpretive skills as well as computing skills and then to communicate about the specific issues at hand. The most important skill to be developed is the ability to explain “what the numbers mean.”

There will be homework assigned throughout the course. Students have one week to complete these assignments. The purpose is to enable me to see how you are progressing.

CLASS POLICIES:

1. Attendance and participation are essential for maximum educational advantage and will be expected. Responsibility for all course material rests entirely with each student, whether or not s/he chooses to attend class.
2. Students will be responsible for all materials even that missed if absent. There is a very good chance that those who miss class will be called upon in the next class. It will be advantageous to have the phone numbers and e-mail addresses of the other students.
3. It is the prerogative of the instructor to administer unannounced quizzes as part of the student evaluation process and to pass judgment on the merits of all assignments and other requirements.
4. It is assumed that each student will have read the text materials before class. Therefore, dialogue will attempt to supplement and expand on the material in the text.
5. As a rule, the format of the class will feature dialogue between all participants. There will be very little lecture, but, for the most part, it will be very participative. That means an emphasis on

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preparation. Students will also be expected to ask questions about issues and subjects about which they are unclear.

6. All assignments are due at the beginning of class. Any turned in more than 15 minutes after class has started will be considered late and will be penalized 20%

7. Cheating of any kind will result in an automatic "F" and dismissal from the class, in accordance with the procedures outlined in the *Ashland University Student Handbook*.

8. More than four (4) unexcused absences will not be tolerated. Should students miss more than four (4) classes without a valid excuse, there will be a deduction from the grade.

9. Any citations should be referenced according to APA standards. Plagiarism is the intentional or unintentional presentation of someone else's words, ideas, or data as one's own work. In the event the faculty member deems the plagiarism is unintentional, he/she shall typically require the student to rewrite the assignment. In the event the faculty member believes the plagiarism is willful, the sanctions in *Ashland University Student Handbook* will apply, including documentation of the circumstance for inclusion in the student's personal file. If the work of another is used, acknowledgment of the original source must be made through a recognized reference practice, and, if verbatim statements are included, through quotation marks as well. To assure proper crediting, a student will acknowledge the work of others:

- A. Whenever one quotes another person's actual words.
- B. Whenever one uses another person's idea, opinion, or theory, even if it is paraphrased completely in one's own words.
- C. Whenever one borrows facts, statistics, or other illustrative materials -- unless the information is of such common knowledge as not to be questioned.

A grade of "0" will be given on any assignment for which plagiarism has been established.

9. In case students are having problems, please do not hesitate to seek counseling early -- failure to do so usually compounds things later.

STUDENTS WITH DISABILITIES

For any students who have specific physical, psychiatric, or learning disabilities and who require special accommodations, please let me know early in the semester so that your learning needs can be met appropriately. It is your responsibility to provide documentation of your disability to:

Classroom Support Services
 Ms. Suzanne Salvo

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Office: 105 Ams, (419) 289-5904
 E-Mail: ssalvo@ashland.edu

SCHEDULE AND ASSIGNMENTS¹

Class responsibility	Review and make appropriate change to Eagle Investment Group portfolios
Group responsibility	Monitor Eagle Investment Group portfolios by industry sector, making changes where deemed appropriate based on input from this course, previous experience, and information obtained from Internet and other published sources, reporting formally to the rest of the class on a weekly basis. This includes analysis of your industry and each stock in your portfolio, including such things as splits, dividend announcements, merger and acquisition news, and any other information you deem appropriate. It is at this time that recommendations to buy, hold, or sell will be entertained.
Individual responsibility	<p>It is the responsibility of each member of the Eagle Investment Group to read and study the NASD Stockbroker Exam: Series 7 Preparation Guide. These chapters will be the subject of discussion each week. Examinations will be given on a regular basis so that you and I can judge your progress.</p> <p>It is also the responsibility of each student to read <i>Reminiscences of a Stock Operator</i>, <i>When Genius Failed</i>, and <i>The Myth of the Rational Market</i> and to prepare a thorough analysis of what has been learned.</p> <p>In that participation in the Eagle Investment Group is a privilege at Ashland University, students are expected to represent the Group in</p>

¹The schedule and the assignments are subject to revision should there be good reason. I will reserve the right to make any such changes and will make them known in class at least a week before they take effect.

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a professional manner at all times, whether that be at presentations, field trips, in conversation with other faculty, and in class.

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CLASS SCHEDULE

<u>Week</u>	<u>Subjects</u>	<u>Assignment</u>
Week 1	<i>When Genius Failed</i> Track Eagle Portfolios	Series 7 - Chapter 1 Pre-Exam Exam
Week 2	<i>When Genius Failed</i> Track Eagle Portfolios	Series 7 - Chapter 1 Exam Exam
Week 3	<i>When Genius Failed</i> Track Eagle Portfolios	Series 7 - Chapter 2 Pre-Exam Exam
Week 4	<i>When Genius Failed</i> Track Eagle Portfolios	<i>When Genius Failed</i> 5 - 7 page paper Series 7 - Chapter 2 Exam Exam
Week 5	<i>Reminiscences of a Stock Operator</i> Series 7 - Chapter 3 Pre-Exam Part 2 Track Eagle Portfolios	Part 1 Exam Exam
Week 6	<i>Reminiscences of a Stock Operator</i> Series 7 - Chapter 3 Exam Part 1 Part 2 Track Eagle Portfolios	Exam Exam

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Week 7	Series 7 - Chapter 4 Pre-Exam Track Eagle Portfolios	<i>Reminiscences of a Stock Operator</i> Exam
Week 8	<i>Reminiscences of a Stock Operator</i> Series 7 - Chapter 4 Exam Track Eagle Portfolios	5 – 7 page paper Exam
Week 9	Spring Break	
Week 10	<i>The Myth of the Rational Market</i> Series 7 - Chapter 5 Pre-Exam Track Eagle Portfolios	Exam
Week 11	<i>The Myth of the Rational Market</i> Series 7 - Chapter 5 Exam Track Eagle portfolios	Exam
Week 12	<i>The Myth of the Rational Market</i> Series 7 - Chapter 6 Pre-Exam Track Eagle Portfolios	Exam
Week 13	<i>The Myth of the Rational Market</i> Series 7 - Chapter 6 Exam Track Eagle Portfolios	5 - 7 page paper Exam
Week 14	Track Eagle Portfolios Transition to Class of 2011	Series 7 - Chapter 7 Pre-Exam Exam
Week 15	Track Eagle Portfolios Transition to Class of 2011	Series 7 - Chapter 7 Exam Exam
Week 16	Series 7 Practice Final Exam Transition to Class of 2011 Reflection Paper	5 – 7 page paper
Week 17	Series 7 Final Exam	

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GRADING

Series 7 License examinations

25%

(Technical competency)
 (Integrity competency)

Sector Analysis Presentations
 Four (7) @ 100 points per presentation
 2 to 4 PowerPoint slides each
 Six (6) per class period

25%

Group 1

Business Services
 Consumer Goods
 Consumer Services
 Energy
 Financial Services
 Hardware and Software

Group 2

Healthcare
 Industrial materials
 Media
 Mutual Funds
 Telecommunications

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Utilities

	<i>Reminiscences of a Stock Operator</i>
	10%
(Written communication competency)	
<i>When Genius Failed</i>	10%
(Written communication competency)	
	<i>The Myth of the Rational Market</i>
	10%
	(Written communication competency)
	Class participation
	(Verbal communication competency)
	20%

Scale

A	100 - 90
B	90 - 80
C	80 - 70

It is not expected that any student will earn less than a grade of "B."

This course is designed to help the student learn and become proficient in the fundamentals of portfolio construction, management, and protection. It is assumed that this is the objective of each student in the class and that each one wants to learn, otherwise you would not have applied for admission. This is to be a worthwhile experience for everyone involved.