



# FISHER

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## COLLEGE OF BUSINESS

### Investments

**Busfin: 4221**

**AU 2022**

#### Course Description and Syllabus

**Instructor:** Steve Salopek, MBA

#### Lecture:

(4673) M-W 8:00 am – 9:20 am SB 215

(35762) M-W 9:35 am – 10:55 am MH 405

(4672) M-W 11:10 am – 12:30 pm GER 355

**Office:** Fisher Hall 310

**Email:** salopek.5@osu.edu

**Office Hours:**

#### Course Description:

This course is designed to teach the principles of financial decision making and the investment process. The course will cover current market moving events, multiple asset classes, asset allocation, diversification, equity analysis, efficient market hypothesis, CAPM, active investment management, behavioral finance and fixed income securities.

Prerequisites: Business Finance 3220, Statistical Techniques 2320, Business Analytics 2321

#### Text and Materials (Required):

*Essentials of Investments*, 12<sup>th</sup> edition, by Bodie, Kane, and Marcus

**WE WILL DISCUSS PURCHASING OPTIONS FOR THE BOOK ON THE FIRST DAY OF CLASS!!**

The Wall Street Journal -NOT KIDDING!!!!!!!!!!

#### Course Schedule:

The following schedule is tentative and subject to change based on how the class progresses.

| Date | Topic   | Reading | Quizzes/Project |
|------|---|---------|-----------------|
| 8/24 | Intro and Course Requirements                                     |         |                 |
| 8/29 | Stock Simulation Assignment<br>Investments: Background and Issues | Ch 1    |                 |

|       |  |             |                        |
|-------|--|-------------|------------------------|
| 8/31  | The Federal Reserve and role in financial markets<br>Asset Classes & Financial Instruments | Ch 2        |                        |
| 9/6   | <b>STOCK SIMULATION START</b>  |             | Stock Simulation Start |
| 9/7   | Securities Markets   | Ch 3        |                        |
| 9/12  | ETFs & Mutual Funds  | Ch 4        |                        |
| 9/14  | Risk and Return  | Ch 5        |                        |
| 9/19  | Risk and Return cont.  | Ch 5        |                        |
| 9/21  | Efficient Diversification  | Ch 6        |                        |
| 9/26  | CAPM /APT  | Ch 7        |                        |
| 9/28  | CAPM/APT   | Ch 7        |                        |
| 9/28  | The Efficient Markets Hypothesis   | Ch 8        |                        |
| 10/3  | Behavioral Finance   | Ch 9        |                        |
| 10/5  | Behavioral Finance   | CH 9        |                        |
| 10/10 | Catch- up and Mid Term Exam Review   |             |                        |
| 10/12 | <b>Mid Term Exam</b>   |             |                        |
| 10/17 | Equity Analysis- Secular, Macro and Industy  | Ch 12       |                        |
| 10/19 | Equity Valuation /Equity Analysis  | Ch 14       |                        |
| 10/24 | Financial Statement Analysis   | Ch 13       |                        |
| 10/26 | Financial Statement Analysis   | Ch 13       |                        |
| 10/31 | Equity Review  | Ch 12,13,14 |                        |
| 11/2  | Fixed Income Characteristics   | Ch 10       |                        |
| 11/7  | Fixed Income Securities  | Ch 10       |                        |
| 11/9  | Credit Risk and Credit Ratings   | Ch 11       |                        |

|              |  |        |                       |
|--------------|--|--------|-----------------------|
| 11/14        | Fixed Income Interest Rate Sensitivity     | Ch. 11 |                       |
| 11/16        | Duration and Convexity                     | Ch 11  |                       |
| 11/21        | Intro to Options                           | Ch 15  |                       |
| 11/28        | Options Strategies                         | Ch 15  |                       |
| 11/30        | Futures and Forwards                       |        | Investment Case Due   |
| 12/5<br>12/7 | Current Market Events<br>Final Exam Review |        | Stock Simulation Ends |

### Class Format:

This class meets twice per week. Lectures will be live and you must attend IN-PERSON. THERE WILL NOT BE A VIRTUAL OPTION OFFERED. I will follow the flow of topics and concepts in the book SELECTIVELY. The course will heavily rely on current market moving news and events. Regular class attendance is expected since material will be covered that is not in the text book. Please feel free to ask questions during lecture. Lecture notes will be on Carmen at least 24 hours in advance of class. I will also use Carmen to distribute emails to the class and post supplemental information.

**Grading: All Assignments are Classified as Independent Work [ N ↑ ]:** Strictly non-collaborative, original individual work. Discussions with instructor only. No use of Email, Texting, GroupMe, Google Groups or Hangouts, WeChat, LinkedIn, Facebook Messenger, WhatsApp, Slack, or other forums.

|                  |     |
|------------------|-----|
| Participation    | 5%  |
| Stock Simulation | 5%  |
| Investment Case  | 15% |
| Quizzes (4)      | 15% |
| Mid Term Exam    | 30% |
| Final Exam       | 30% |

No extra credit offered. Grades will be determined at the end of the term. Any curve, if there is one, is set at that time.

**Participation** will be part of your total grade for this course. Someone will be chosen at RANDOM for each class to either start or contribute a dialog on current market events. Should you be absent the day for which you are chosen, that will MEANINGFULLY impact your participation grade (-25 POINTS). There

will be a significant focus on, and discussion of current events in the financial markets. **In order to be prepared for these discussions the Wall Street Journal is REQUIRED reading for this course. I AM NOT KIDDING!**

**Stock Trading/ Portfolio Management Simulation:** The semester long project will utilize a virtual stock simulation on [www.howthemarketworks.com](http://www.howthemarketworks.com). The purpose of this is to give you some experience in picking stocks and constructing a portfolio of investments. The full assignment will be discussed in class and will be posted on Carmen early in the semester.

**Investment Case:** You will be writing a detailed (2 to 3 pages) investment case on one of the stocks that you hold in your virtual portfolio. This will be due at the end of the semester. The full assignment will be discussed in class and posted on Carmen later in the semester.

**Quizzes:** There will be 4 quizzes. They will be taken on CARMEN. The quizzes are open book/open note but ARE TO BE COMPLETED INDIVIDUALLY. The dates for the quizzes are dependent on the progress we are making in class and will be announced 1 week in advance. No Quiz extensions or make-ups will be offered.

**Mid Term Exam:** The mid term exam will be administered IN-Person and will be CLOSED BOOK. All exams are classified as INDIVIDUAL work and any collaboration or use of any outside material (book, notes, internet connected devices etc) is strictly prohibited. Absences from exams will only be excused for the most serious of reasons and documented by an appropriately accredited professional (i.e., a medical doctor).

**Final Exam:** The final exam will be administered In-Person and will be closed book. The final exam WILL NOT BE COMPREHENSIVE. All exams are classified as INDIVIDUAL work and any collaboration or use of any outside material (book, notes, internet connected devices etc) is strictly prohibited. Absences from exams will only be excused for the most serious of reasons and documented by an appropriately accredited professional (i.e., a medical doctor)

Final Exam time and date are set by OSU's official final exam schedule. The schedule can be found at:

<https://registrar.osu.edu/scheduling/SchedulingContent/AU22Finals.pdf>

**Course materials:** Any course materials used during the semester (ie lecture slides, quizzes, exams) are for your personal use ONLY. Course materials are not to be posted (ie Course Hero, Chegg) or distributed in any manner.

#### **Electronic Devices:**

The absence of unnecessary distractions and interruptions is essential for a positive and effective learning environment. **Thus, students may not use ANY electronic device in class, unless explicitly permitted by the instructor.** All electronic devices must be turned off and put away prior to the start of class. **ANY USE OF A CELLPHONE DURING CLASS WILL RESULT IN A REDUCTION IN CLASS PARTICIPATION GRADE. THERE WILL BE NO EXCEPTIONS TO THIS POLICY**

Students who want to take electronic notes may do so *but only* if it is on a tablet device and that tablet must remain on the flat table top for the entire class time. **YOU MUST HAVE INSTRUCTOR APPROVAL TO TAKE ELECTRONIC NOTES.**

### **Students with Disabilities:**

The Office of Disability Services verifies students with specific disabilities and develops strategies to meet the needs of those students. Students requiring accommodations based on identified disabilities should contact me at the beginning of the semester to discuss his or her individual needs. All students with a specific disability are encouraged to contact the Office of Disability Services to explore the potential accommodations available to them.

### **Academic Integrity:**

All students enrolled in this course are responsible for abiding by the guidelines outlined in the University's Code of Student Conduct. According to University Rule 3335-31-02, **all suspected cases of academic misconduct will be reported to the Committee on Academic Misconduct.**

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute "Academic Misconduct." The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct .

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

### **Your Mental Health**

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. No matter where you are engaged in distance learning, The Ohio State University's Student Life Counseling and Consultation Service (CCS) is here to support you. If you find yourself feeling isolated, anxious or overwhelmed, [on-demand mental health resources](https://go.osu.edu/ccsondemand) (go.osu.edu/ccsondemand) are available. You can reach an on-call

counselor when CCS is closed at [614- 292-5766](tel:614-292-5766). **24-hour emergency help** is available through the [National Suicide Prevention Lifeline website](https://www.suicidepreventionlifeline.org) (suicidepreventionlifeline.org) or by calling [1-800-273-8255\(TALK\)](tel:1-800-273-8255). The [Ohio State Wellness app](#)

## **DIVERSITY**

The Ohio State University affirms the importance and value of diversity of people and ideas. We believe in creating equitable research opportunities for all students and to providing programs and curricula that allow our students to understand critical societal challenges from diverse perspectives and aspire to use research to promote sustainable solutions for all. We are committed to maintaining an inclusive community that recognizes and values the inherent worth and dignity of every person; fosters sensitivity, understanding, and mutual respect among all members; and encourages each individual to strive to reach their own potential. The Ohio State University does not discriminate on the basis of age, ancestry, color, disability, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, race, religion, sex, gender, sexual orientation, pregnancy, protected veteran status, or any other bases under the law, in its activities, academic programs, admission, and employment.

### **Disenrollment:**

Fisher College University Rule 3335-8-33 provides that a student may be dis-enrolled after the third instructional day of the quarter, the first Friday of the quarter, or the student's second class session of the course, whichever occurs first, if the student fails to attend the scheduled course without giving prior notification to the instructor.