

# BUSFIN 4221: Investments

Fall 2022

**Instructor:** Aditya Chaudhry ([chaudhry.127@osu.edu](mailto:chaudhry.127@osu.edu))

**Teaching Assistant:** Andrea Ricciardi ([ricciardi.42@buckeyemail.osu.edu](mailto:ricciardi.42@buckeyemail.osu.edu))

**Instructor Office:** 738 Fisher Hall

**Course Website:** <https://osu.instructure.com/login/canvas>

**Lectures: Session 1:** Mo/We 2:20-3:40pm (215 Schoenbaum Hall)

**Session 2:** Mo/We 4:35-5:55pm (365 Gerlach Bldg)

**Office Hours:** By Appointment

*The instructor reserves the right to update this syllabus with sufficient notice given to students.*

## 1. Course Description and Prerequisites

This course is designed to teach the principles of financial decision making and the investment process. The course covers topics including security markets and instruments (equity, bonds, and derivatives), CAPM, APT, the efficient market hypothesis, behavioral finance, security analysis, and active investment management. A basic understanding of statistics and a good understanding of financial principles are required (Prerequisites: 3220, BusMgt 2320, 2321, and BusMHR 2292).

## 2. Learning Outcomes

Given the breadth of the topics covered, this course is valuable for students interested in a broad range of careers in finance, such as portfolio management, wealth management, marketing, sales, and corporate finance as well as for managing personal finances. It also represents a solid ground for more advanced classes in asset pricing and investments.

By the end of this course, students should be able to:

- Understand the concepts of risk and return
- Demonstrate knowledge about the characteristics of various asset classes
- Understand the fundamentals of pricing
- Demonstrate ability to design an investment strategy

## 3. Course Materials

- 1. Textbook (Required):** *Essentials of Investments* by Bodie, Kane and Marcus, 12th edition, 2022, McGraw-Hill (BKM, henceforth).

The textbook for this course is being provided via CarmenBooks. The fee for this material is included as part of tuition and is listed as CarmenBooks fee on your Statement of Account.

Unless you choose to opt-out of the program, you do NOT need to purchase any materials for this course at the bookstore. You can learn more about the program at

<https://affordablelearning.osu.edu/carmenbooks/students>. You can also opt-out and be refunded at

<https://teaching.resources.osu.edu/form/carmenbooks-opt-out> if you already own a copy of the book.

- 2. Practice quizzes (Recommended):** Problems/exercises related to the material covered in class will be posted on CarmenCanvas. Quizzes are not graded, but you are strongly encouraged to practice. Solving quizzes will help you familiarize with practical concepts as well as preparing you for the real quizzes and exams.

## 4. Class Format & Grading

<b>Participation</b>	= 6%	
<b>2 Guest Speaker Reflections</b>	= 10%	
<b>6 Quizzes</b>	= 24%	(4% each with lowest score replaced with highest score)
<b>1 Midterm</b>	= 30%	
<b>1 Final</b>	= 30%	
<b>Total</b>	= 100%	

### Class Format

This is an in-person course.

Regular (in-person) class attendance and participation is expected from all students. Consistent with the business school's position on in-person classes, I will not provide a regular Zoom attendance option or class recordings. This approach is intended to maximize in-class participation, which is beneficial to the learning environment.

A tentative class schedule is available in Section 5. The tentative class schedule is for illustration purpose and subject to changes based on how the class progresses. The continuously updated class schedule can be found on Canvas.

### Quizzes

There are 6 graded quizzes (each worth 18 points) in Carmen over the course of the semester. You will take these "live" during class time with your laptop. I will drop the worst score out of the six quizzes and replace it with the highest.

The quiz is only open during short window of class time. Students complete these individually, adhering to OSU's Academic Integrity standards (see further in syllabus). During exams, turn off cell phones.

**Make sure you bring your laptop, a pencil, and calculator, in class on quiz days.**

**A missed quiz will result in a score of 0.** In the extreme and properly documented cases (see the course testing policy for more details) you may be allowed by the instructor to make up for the quiz points in the midterm/final exam. In such cases, your points from the final exam will be scaled accordingly.

### Midterm

There is only one possibility to take the midterm. Check the course schedule for an exact date. **A missed midterm will result in a score of 0.** In the extreme and properly documented cases (see the course testing policy for more details) you may be allowed by the instructor to make up for the midterm points in the final exam. In such cases, your points from the final exam will be scaled accordingly.

More details about the midterm format and scope will be covered in class during a review lecture before the midterm.

**Make sure you bring a pencil, and calculator, in class on the midterm day.**

### **Final Exam**

There is only one possibility to take the final exam (date will be posted on Carmen ahead of time). The final exam is cumulative and places more weight on the second half of the course, which builds on material from the first half. Anything mentioned in class, or in assignments, is “fair game” for exams. All exams are the property of the instructor. More details about the exam format and scope will be covered in class during a review lecture before the exam.

**Make sure you bring a pencil, and calculator, in class on the final day.**

### **Guest speaker reflection:**

There will be two guest lectures. More details about the reflection format and grading will be posted on Carmen and explained in class.

### **Participation:**

Participation scoring will be comprised of i) regularly attending class and ii) quality engagement during the semester, i.e., by asking good questions and/or providing quality responses to questions. Subjective measure: did student have quality engagement during the semester by asking good questions and/or providing responses to questions.

### **Letter Grade**

Your letter grade will be based on your total score (total points received during the class) and the overall class performance. The letter grade assigned is an informed and final evaluation and not the beginning offer in a bargaining process. If an error occurs in the calculation of your grade, please notify me during the beginning of the following semester and actions will be taken to correct any errors. Please do NOT contact me to “lobby” for a higher grade. Any lobbying efforts (i.e. asking for a higher grade simply because you want one or need one) will not be tolerated.

Make-up or extra work to improve your grade on an individual basis is not possible. Your general academic situation (for example, “I need a ‘C’ in this course to graduate.”) and/or personal problems cannot be considered. The final grade in the course, once assigned, will not be changed except in the event of a recording error.

You should view my grading policy as a clear indication that I strive to give all students in the class the exact same opportunities.

## **5. Other Important Topics**

## **Communication with Instructor**

Easiest way to contact me is a) in-person right after class, b) by e-mail. Office hours are in person/on Zoom by appointment (email me 24-48 hours in advance)

## **Anonymous Feedback**

Anonymous feedback can be submitted to the instructor at any point in the course at this form: <https://forms.office.com/r/v8wbPP1PV3>.

## **Class Information**

All course announcements will be posted on Carmen. Please check Carmen regularly for updates.

## **Academic Integrity**

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.

## **Use of Artificial Intelligence (AI)**

Unless I specifically mention otherwise (and in writing), the use of any AI-generated content (including but not limited to content generated by ChatGPT or other such aids) in any deliverables in this course will

be considered academic misconduct and will be acted on as such. Writing assignments will be turned in online and I will be using Turnitin and other applications that have AI detection algorithms. You need to complete the assignments using your own brain and your own thinking...which will lead to more of your own learning!

### **Student COVID-related Accommodation Process**

Continuous engagement with this course is essential to learning the material. Students are expected to attend class and engage with assignments and discussion prompts for every scheduled meeting. Students who need to miss class or who are not able to participate due to illness (COVID-19 or other illnesses), exposure to COVID-19, care for family members exposed to COVID-19 or other reasons are expected to contact the instructor as soon as possible to arrange for accommodation. Students in special situations or those requiring specific, long-term or other accommodation should seek support from appropriate university offices including but not limited to: Student Advocacy, Student Life Disability Services and the Office of Institutional Equity.

### **Disability Services**

The university strives to make all learning experiences as accessible as possible. In light of the current pandemic, students seeking to request COVID-related accommodations may do so through the university's request process (<https://slds.osu.edu/covid-19-info/covid-related-accommodation-requests/>), managed by Student Life Disability Services. If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; <https://slds.osu.edu/>; 098 Baker Hall, 113 W. 12th Avenue.

### **Harassment, Discrimination, and Sexual Misconduct**

The Ohio State University is committed to building and maintaining a community to reflect diversity and to improve opportunities for all. All Buckeyes have the right to be free from harassment, discrimination, and sexual misconduct. Ohio State does not discriminate on the basis of age, ancestry, color, disability, ethnicity, gender, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, pregnancy (childbirth, false pregnancy, termination of pregnancy, or recovery therefrom), race, religion, sex, sexual orientation, or protected veteran status, or any other bases under the law, in its activities, academic programs, admission, and employment. Members of the university community also have the right to be free from all forms of sexual misconduct: sexual harassment, sexual assault, relationship violence, stalking, and sexual exploitation.

To report harassment, discrimination, sexual misconduct, or retaliation and/or seek confidential and non-confidential resources and supportive measures, contact the Office of Institutional Equity: Online reporting form at [equity.osu.edu](http://equity.osu.edu), Call 614-247-5838 or TTY 614-688-8605, Or Email [equity@osu.edu](mailto:equity@osu.edu). The university is committed to stopping sexual misconduct, preventing its recurrence, eliminating any hostile environment, and remedying its discriminatory effects. All university employees have reporting responsibilities to the Office of Institutional Equity to ensure the university can take appropriate action.

All university employees, except those exempted by legal privilege of confidentiality or expressly identified as a confidential reporter, have an obligation to report incidents of sexual assault immediately. The following employees have an obligation to report all other forms of sexual misconduct as soon as practicable but at most within five workdays of becoming aware of such information: 1. Any human resource professional (HRP); 2. Anyone who supervises faculty, staff, students, or volunteers; 3. Chair/director; and 4. Faculty member.

### **Counseling and Consultation Services**

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. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If you or someone you know are suffering from any of the aforementioned conditions, you can learn more about the broad range of confidential mental health services available on campus via the Office of Student Life Counseling and Consultation Services (CCS) by visiting <https://ccs.osu.edu/> or calling (614) 292- 5766. CCS is located on the 4th Floor of the Younkin Success Center and 10th Floor of Lincoln Tower. You can reach an on-call counselor when CCS is closed at (614) 292-5766 and 24 hour emergency help is also available through the 24/7 National Suicide Prevention Hotline at 1-(800)-273-TALK or at <http://suicidepreventionlifeline.org/>.

### **Religious Accommodations**

It is Ohio State's policy to reasonably accommodate the sincerely held religious beliefs and practices of all students. The policy permits a student to be absent for up to three days each academic semester for reasons of faith or religious or spiritual belief.

Students planning to use religious beliefs or practices accommodations for course requirements must inform the instructor in writing no later than 14 days after the course begins. The instructor is then responsible for scheduling an alternative time and date for the course requirement, which may be before or after the original time and date of the course requirement. These alternative accommodations will remain confidential. It is the student's responsibility to ensure that all course assignments are completed.

### **Weather or Other Short-Term Closing**

Should in-person classes be canceled, I will notify you as to which alternative methods of teaching will be offered to ensure continuity of instruction for this class. Communication will be email.

## 5. Tentative Course Schedule

The following schedule (including deadlines) is tentative and subject to changes based on how the class progresses. This document is NOT updated after the beginning of the course, so please use the Canvas website to keep track of the (updated) course schedule.

Week	Date	Topic	Associated Readings
1	21-Aug	<b>No class</b>	
	23-Aug	Intro	
2	28-Aug	Risk and Return	BKM Ch. 1 & 5
	30-Aug		
3	4-Sep	<b>No class</b>	
	6-Sep	Quiz 1	
4	11-Sep	Portfolio Theory	BKM Ch. 5 & 6
	13-Sep		
5	18-Sep	Quiz 2	
	20-Sep		
6	25-Sep	CAPM	BKM Ch. 7
	27-Sep	Multifactor Models	
7	2-Oct	Performance Eval	
	4-Oct	Quiz 3	
8	9-Oct	Review	
	11-Oct	Midterm	
9	16-Oct	Guest Speaker	
	18-Oct	Efficient Markets Hypothesis	BKM Ch. 8
10	23-Oct	Behavioral Finance	BKM Ch. 9
	25-Oct		
11	30-Oct	Debt Valuation	BKM Ch. 10
	1-Nov		
12	6-Nov	Quiz 4	
	8-Nov	Equity Valuation	BKM Ch. 13
13	13-Nov		
	15-Nov	Quiz 5	
14	20-Nov	Guest Speaker	
	22-Nov	<b>No class</b>	
15	27-Nov	Derivatives	BKM Ch. 15 & 16

16 Exam Week	29-Nov	
	4-Dec	Quiz 6
	6-Dec	Review
	Dec 8-14	Final Exam