

CHAMINADE UNIVERSITY

Fall 2010

Investment Management, MBA754, Online

INSTRUCTOR: Dr. Gholam Khaleghi

Email: All the correspondence should be done using: ghaleghi@gmail.com. All correspondence will be replied within 24 hours.

READING LIST:

- **REQUIRED TEXT:** “Fundamentals of Investing”, Authored by Lawrence J. Gitman and Michael D. Joebnk, 10 Edition, Publisher: Addison-Wesley, 2008.
- **RECOMMENDED:** “Study Guide to Fundamentals of Investing”, Authored by Lawrence J. Gitman and Michael D. Joebnk, 10 Edition, Publisher: Addison-Wesley, 2008.
- Handouts and Lecture Notes.
- Reading Assignments From Books, Magazines, and Journals..

MEETING TIMES: Online

COURSE DESCRIPTION:

This course provides a comprehensive overview of investment management and the analytic tools necessary to evaluate investment opportunities. Topics include analysis and valuation of equity securities, fixed income securities and financial derivatives, measurement of risk and return, construction of optimal asset portfolios, and criteria for evaluation of investment performance and portfolio selection and portfolio theory. Emphasis will be placed on writing, problem-solving, critical thinking and abstract reasoning.

COURSE OBJECTIVES

Through an in-depth study of portfolio theory and asset-pricing models, students acquire the analytical skills necessary to conduct valuations of equities, fixed-income securities, and alternative investments. This exploration leads to an understanding of the concept of portfolio management and the importance of diversification in controlling portfolio risk.

The course uses the theoretical concepts learned in Managerial Finance (MBA611) and applies them to the practice of portfolio management. New concepts are also introduced and explained in

the context of security valuation and portfolio management. The final goal is to teach students how financial theory is applied in the practice of investment analysis and portfolio management.

STUDENT LEARNING OUTCOMES:

Upon successful completion of this course, students should be able to:

1. Demonstrate knowledge of the mechanism of investment markets.
2. Understand how markets value securities.
3. Discuss the time value of money and the calculations, involved in finding the future value of various types of cash flows.
4. Examine the concept of present value, the procedures for calculation present value, and the use of present value in determining whether an investment is satisfactory.
5. Explain the investment appeal of common stocks and why individuals like to invest in them.
6. Demonstrate knowledge of the role that a company's future plays in the stock valuation process and develop a forecast of a stock's expected cash flow.
7. Examine the basic investment attributes of bonds and the appeal they hold as investment vehicles.
8. Analyze the basic nature of the options in general and puts and calls in particular, and understand how these investment vehicles work.
9. Perform market research and security valuation.
10. Apply portfolio theory to the creation of an efficient portfolio.
11. Evaluate portfolio performance.
12. Manage a portfolio given specific risk parameters.

STUDENT EXPECTATIONS:

This is an online course which will be conducted only online using Chaminade eCollege website as a medium of instruction. Students are expected to visit the course eCollege website and check their emails daily.

Your Chaminade student ID number is your eCollege ID and your password is the last four digits of your social security number. Please visit the eCollege course site: make sure that you can access it, look at the materials posted there and check whether you can view and/or download them. The eCollege link is <http://www.chaminade.ecollege.com>. If you experience any difficulty with eCollege or have technical questions, please contact the Chaminade eCollege helpdesk at:

helpdesk@chaminade.ecollege.com, or call toll free at: (866) 647-0654. For account questions, please contact the Chaminade eCollege system administrator Mr. Jon Nakasone at: jnakason@chaminade.edu.

IMPORTANT NOTE: If you have access to a course, but are not officially registered, you will NOT receive any credit or incomplete for any work done. Please make sure what you are taking is reflected in your registration information.

This eCollege course module requires several common browser plug-ins. Your system most likely has them installed, but if you need a plug-in, visit the Installation Wizard to download and install what you need! After the installation of the plug-ins, please visit the eCollege website at <http://www.chaminade.ecollege.com> then, click on the Investment Management (MBA 754) main page.

All of your weekly activities (i.e. quizzes, homework set, and articles for discussion) with due dates are located on the Course Home page as follows:

Course Home	
Syllabus	
Week 1	➔ Oct. 04 – Oct. 10
Week 2	➔ Oct. 11 – Oct. 17
Week 3	➔ Oct. 18 – Oct. 24
Week 4	➔ Oct. 25 – Oct. 31
Week 5	➔ Nov. 01 – Nov. 07
Week 6	➔ Nov. 08 – Nov. 14
Week 7	➔ Nov. 15 – Nov. 21
Week 8	➔ Nov. 22 – Nov. 28
Week 9	➔ Nov. 29 – Dec. 05
Week 10	➔ Dec. 06 – Dec. 12

COURSE OUTLINE*

PART ONE: PREPARING TO INVEST

Week 01

Oct. 04 – Oct. 10 Review of the Syllabus and Principles of Investments
Chapter 1: The Investment Environment
Investments and the Investment Process
Investment Vehicles
Making Investment Plans
Meeting Liquidity Needs: Investing in Short-Term Vehicles

Week 02

Oct. 11 – Oct. 17 Chapter 2: Markets and Transactions
Securities Markets
Globalization of Securities Markets
Trading Hours and Regulation of Securities Markets
Basic Types of Securities Transactions

PART TWO: IMPORTANT CONCEPTUAL TOOLS

Week 03

Oct. 18 – Oct. 24 Chapter 3: Investment Information and Securities Transactions
Online Investing
Types and Sources of Investment Information
Understanding Market Averages and Indexes
Making Securities Transactions
Investment Advisers and Investment Clubs

Week 04

Oct. 25 – Oct. 31 Chapter 04 – Return and Risk
The Concept of Return
Measuring Return
Risk: The Other Side of the Coin

PART THREE: INVESTING IN COMMON STOCKS

Week 05

Nov. 01 – Nov. 07 Chapter 5: Modern Portfolio Concepts
Principles of Portfolio Planning
The Capital Asset Pricing Model (CAPM)
Traditional Versus Modern Portfolio Management

Week 06**Nov. 08 – Nov. 14**

Chapter 06 – Common Stock Investments
What Stocks Have to Offer
Basic Characteristics of Common Stock
Common Stock Dividends
Types and Uses of Common Stock

Week 07**Nov. 15 – Nov. 21**

Chapter 07 – Analyzing Common Stocks
Security Analysis
Economic Analysis
Industry Analysis
Fundamental Analysis

PART FOUR: INVESTING IN FIXED-INCOME SECURITIES**Week 08****Nov. 22 – Nov. 28**

Chapter 08 – Stock Valuation
Valuation: Obtaining a Standard of Performance
Stock Valuation Models

Week 09**Nov. 29 – Dec. 05**

Chapter 09 – Technical Analysis, Market Efficiency, and
Behavioral Finance
Technical Analysis
Random Walks and Efficient Markets
Behavioral Finance: A Challenge to the Efficient Market Hypothesis

PART FIVE: PORTFOLIO MANAGEMENT**Week 10****Dec. 06 – Dec. 12**

Chapter 10 – Fixed-Income Securities
Why Invest in Bonds?
Essential Features of a Bond
The Market for Debt Securities
Convertible Securities

*** Subject to change.**

ONLINE COMMUNICATIONS:

All online communications for this course are asynchronous. Please email me if you need help with any of the assigned chapters. I am available 24/7 in the four following ways to help you with this course:

- A) You can email me your questions and I will provide answers to them.
- B) You can come to chat session via Internet. We will discuss your questions, clarify issues, and provide answers to your questions.
- C) You can ask for a conference call via phone. I will call you to discuss problems you have with any of the assigned chapters.
- D) Students with disability can make request for an appointment at any location most convenient for them.

ONLINE REQUIREMENTS:

Students are required to have access to a reliable computer with the Internet connection. They are also expected to have computer skills necessary to navigate the site and successfully complete all the requirements of the course. Furthermore, students are required to have access to computer hardware and software programs that enable them to access the various sites and perform the tasks and activities to fulfill the requirements of this course.

METHODS OF COURSE INSTRUCTION (ONLINE ACTIVITIES & POLICIES)

This online class will not have any chat sessions when everybody gets online at the same time. You will log onto the system to complete all required activities whenever it is convenient for you within the given time period. However, keep in mind that there are deadlines for all required online activities, including quizzes, homework, and writing assignments.

Do not fall behind because it is very difficult to catch-up. We depend on the communication technology so do not wait until the last day to complete any of the required activities. Something you do not expect may happen at the last minutes! The network may be down! and/or your computer may not function properly.

Makeup Tests, Late Submissions Policy, Technical Problems:

I am dropping two weekly homework sets, two weekly discussion assignments and two lowest quizzes scores. This is due to the fact that there is NO extra credit activities available and you may not be able to finish any of the required activities within the given time period. Also, you may run to technical problems or just not happy with the results. **Thus, late submission of weekly discussion and homework assignments will not be accepted. Also makeup, reset or retake of any of the tests will not be allowed: NO Exception.**

STUDENTS WILL BE GRADED BASED ON THE FOLLOWING:

The very first message from your instructor posted on the weekly Discussion Board will list all the online activities required for that week along with the deadlines. Usually, you'll have a reading assignment and discussion board activities.

Every week, students are required to study the assigned chapter/s, complete weekly homework, write the weekly discussion comments, and take the tests.

1. Homework:

There are 10 weekly homework assignments to help prepare students for the quizzes and exams. The scores of two weekly homework assignments will be dropped because you may not be able to finish within the given time period, run to technical problems or just not happy with the results. **Thus, late submission, reset, retake, makeup of homework assignments will not be accepted: No Exception. Only 8 homework assignments with higher scores will be counted for your grade. Each homework assignment is worth 10 points: total possible point of 80.**

The correct answers to your homework will be posted within 48 hours after the due date of each assignment.

Each homework set is available Monday, 12:30am through the following Sunday, 11:00am (Hawaii Standard Time).

The homework assignments are located at www.myfinancelab.com which is an online companion website to your textbook. To access MyFinanceLab, you will need to complete a one-time registration process, after which you'll be able to access the site for the rest of the semester.

If you purchased a new textbook, it may have come with a Student Access Kit that contains a code you can use to register at www.myfinancelab.com. If you do not have a Student Access Kit, you can purchase access to MyFinanceLab for Lawrence J. Gitman and Michael D. Joebnk Fundamentals of Investing, 10th Edition, with or without an eText. Select the choice that best fits your needs.

If you have a used textbook, then you may buy access code for \$45 by clicking on the below: www.myfinancelab.com.

If you are interested in purchasing both a digital copy of the textbook (eBook) and MyFinanceLab access code together for \$80: www.myfinancelab.com

To register at MyFinanceLab for the course, you will need to have the following information on hand:

How to Register and Enroll in Your MyFinanceLab Course

Welcome to MyFinanceLab! Your instructor has set up a MyFinanceLab course for you.

To join your instructor's course, please complete the following **two** steps:

1. **REGISTER** for MyFinanceLab, and, 2. **ENROLL** in your instructor's course

To Register for MyFinanceLab

2. To register, you will need a **student access code** and a **course ID**.
If you don't have an access kit, you can purchase access online at <http://www.myfinancelab.com>.
You will have the choice to purchase access with or without a full etext. Once enrolled in your professor's course, you will also have the option to purchase a discounted version of your text.

Textbook: *Gitman/Joehnk: Fundamentals of Investing, 10e*

3. **Course Name:** Investment Management (MBA754) Fall 2010
4. **Course ID:** **XL0J-51YO-201Y-88U2**

Steps to Register:

1. Go to <http://www.myfinancelab.com> and click the Student button, in the Register section.
2. Enter the course ID, **XL0J-51YO-201Y-88U2** and **E-mail address** click Next.
3. Choose to register an access code (came with your new book) or purchase access if you don't have an access kit/code.
4. Click the button to proceed to registration.
5. Follow the instructions to create your account.
6. Click the link to login. You'll be directed to <http://www.myfinancelab.com>, where you can enter the user name and password you just created. Click the login button.
7. The first time you enter the site you'll be asked to enter your course ID. Enter your course ID, **XL0J-51YO-201Y-88U2**.

8. Be sure to click on the Browser Check link on the Announcements page or in the upper right of the screen the first time you login and anytime you use a new computer. This wizard will walk you through the installation of the software you will need to use the MyFinanceLab resources (such as Flash).

Note: the software may already be installed in the school lab, so in that case check first with your lab administrator.

To log into MyFinanceLab

1. Go to <http://www.myfinancelab.com>
2. Enter the user name and password you just created, and click Log In (or hit the enter key).
If you purchased access, visit the **Student Center** inside your Instructor's Course for additional purchase options.

Note: If you are taking two MyFinanceLab courses simultaneously you will need two separate login accounts.

Need Help? Please Telephone: 1-800-677-6337 (Monday–Friday 8:00 a.m.–8:00 p.m. ET)

2. Online Discussion:

There are a total of 8 discussion articles (6 required and 2 optional). Only 6 of them with the highest scores will be counted. 10 points each, a total possible point of 60. Thus, if you run to any problem or with one or two weekly discussion articles (no effect on your final grade), consider them as your lowest scores.

All the weekly discussion assignments are located on each Weekly Module with their due dates. Usually, you'll have one discussion article with questions to answer and/or comments to post on **Doc.Sharing located on the top menu bar.**

I will facilitate the course discussion every week by posting videos clips, articles and/or discussion questions.

You will be graded based on your weekly answers and comments. The purpose of the discussion is to promote and encourage the exchange of ideas among students. **Each article is available Monday, 12:30am through the following Sunday, 11:00am (Hawaii Standard Time).** You will be receiving feedback within 48 hours after the due date.

Make sure that your comments contribute to the class discussion. Your comment or response to your classmates will be evaluated based on the quality of arguments used in it. "I agree", "Cool stuff!" remarks are not considered valuable contribution to the discussion and will not be graded. You can certainly cheer your classmates but do not

expect to receive any points for participation based solely on those "Way to go!" type postings.

When you post messages online, follow the basic principles of netiquette - rules for communicating online. [Click on this link to read more about those.](#)

As your instructor, I'll be facilitating course discussion. I'll post discussion questions, answer any of your questions, and comment on some but not every message posted on the discussion board. The purpose of the discussion is to promote and encourage the exchange of ideas between students.

3. **Quizzes:**

There are 10 quizzes and you have 30 minutes to complete each quiz containing 20 questions (one point each). Only 8 quizzes with the highest scores will be counted, a total possible point of 160. Thus, if you run to any problem or with one, two quizzes, consider them as your lowest quiz scores which have no effect in your final grade. The correct answers to the quizzes will appear on the test page of the eCollege within 48 hours after the due date of any of the quizzes.

Each quiz is available on Monday at 12:30am through the following Sunday, 11:00am (Hawaii Standard Time).

Pre Quiz Information

- You will only be able to enter your online Quiz one time. No retake, No makeup, No reset.
- Click the "Save Answers" button often.
- If you lose your internet connection during your Quiz, logon again and try to access your Quiz. If you are unable to enter the Quiz contact eCollege Tech support and consider this quiz as one of your lowest Quiz scores.
- You will always be able to see the time remaining in any of the Quizzes at the top right of the page.

Submitting Your Quiz:

- When you are finished with the Quiz, click on the 'Submit for Grade' button.
- **Please note: Once you click the "Submit for Grade" button, you will NOT be able to edit or change any of your answers**

Assessments with Multiple Pages:

- Make sure you click the "Save Answers" button before advancing to the next page (we also suggest clicking on save answers while you are working).
- Complete all of the pages before submitting your Quiz for instructor review.
- Do NOT use your browser's 'Back' and 'Forward' buttons during the Quiz.
- Please use the provided links for navigation

Netscape Users:

- Do NOT resize your screen/browser while you are in the Quiz. In other words, set the desired size of your window before entering the Quiz. You will lose your answers if you do so during the Quiz.

When you take the quiz, remember to save each answer. Since all the quizzes are based on multiple-choice questions, after each question you will find five possible answers. Click on the radio button (circle) next to the best answer, then under the question click on the Save answer button.

Please make sure that you are absolutely ready to take any of the tests within the specified time period. Your computer must be in excellent working condition. Do NOT use wireless connection as it tends to disconnect from time to time. Once you start a quiz there is no turning back and it is beyond my control and I can NOT change any thing once you start a test and there is no makeup, reset, and retake of any quizzes: NO Exception.

NOTE: If for any reasons you cannot complete any of the activities and/or run to problems, consider that one as one of your lowest score which will be dropped and take the optional quizzes.

How to Successfully Prepare for this Course

This is an Internet class, so planning is important to succeed. Do not fall behind; it's always difficult to catch up. We totally depend on communication technology so do not wait until

the last day to complete your work. Something you do not expect may happen at the last minutes! The network may be down! And /or your computer may not function properly!

This is a very detail oriented course, requiring lots of time and attention. Thus, you need to study more carefully and diligently by trying to learn the details of the subjects. The tests require an in-depth understanding of the subjects. My study suggestions are as follows:

- i. Study each assigned chapter with extreme care and take notes. After careful study of each chapter from the book, you should take advantage of the learning materials (i.e. Study guide and PowerPoint, and other learning materials) which are located at the “Weekly Module”.
- ii. The Study Guides contain numerous text-specific learning tools, most of which are tied to individual chapter such as: Key Concepts, Helpful Hints, and many questions with answers. The PowerPoints will provide you with step-by-step review of key text concepts. These learning materials would give you more insights to each chapter. **You can access the following at Weekly Modules:**
 - Self-Assessment Quiz
 - Web Exercises
 - Hot Links
 - Other Links
 - Excel with Spreadsheets
 - Odd-Numbered Solutions
 - Study Guides
 - PowerPoints
- iii. Once you have a good understanding of the chapter then, try to do the homework on MyFinanceLab.
- iv. After you are done with homework, you should study the areas that you still need to learn. By this time, you should be more prepared and now you may take the specific (graded) chapter quiz which is located on weekly module.

GRADING SYSTEM

	Total Possible Points	Your Points
Homework	10	1. _____
	10	2. _____
	10	3. _____
	10	4. _____
	10	5. _____

	10	6. _____
	10	7. _____
	10	8. _____
Total Possible Points for Homework ==>	80	
Weekly Discussion	10	1. _____
	10	2. _____
	10	3. _____
	10	4. _____
	10	5. _____
_____	10	6. _____
Total Possible Points for Discussion ==>	60	
Quizzes	20	1. _____
	20	2. _____
	20	3. _____
	20	4. _____
	20	5. _____
	20	6. _____
	20	7. _____
	20	8. _____
Total Possible Points for Quizzes ==>	160	
Total Possible Points for All Activities ➔	300	

Final grades will be based on the total points accumulated.

270≥A; 240≥B; 210≥C; 180≥D; 180< F.

STUDENT CONDUCT FOR ONLINE PROGRAMS:

In addition to the on-campus student conduct policy, students enrolled in online courses are expected to demonstrate the same tolerance, respect, and understanding that would prevail in any campus situation. All online users are expected to support the same respect for individuals, commitment to issues and problem resolution, and open communication and feedback as in the face-to-face environment.

Specifically, online students are expected to:

- Accept responsibility and accountability for all use actions and content posted to any online classroom, public meeting or personal inbox (email).
- Maintain the same ethical standards expected in a collaborative, academic environment.

- Demonstrate respect for all faculty, students, and staff regardless of age, race, gender, religion, national origin, veteran's status, disability, or sexual orientation.

In the online environment, the following will not be tolerated:

- Harmful, threatening, libelous, or abusive content
- Profanity of any kind
- Copyright infringement or violation of patent, trademark, proprietary information, or confidentiality agreements Plagiarism.
- Misrepresentation of identity through alteration of inbox (email) names
- Posting unsolicited advertisements to public meetings or private inboxes (no spamming)
- Transferring computer viruses, intentionally or unintentionally, or other code that disrupts or interferes with other users' use of the online environment or personal computers, systems, or networks.

Users who are in violation of the terms listed above are subject to the following sanctions:

- Student may be suspended from a class in which the student disrupted the learning environment.
- The student's user account, by which the student may access the virtual classroom, may be terminated
- The student may be terminated from the course.
- In the case of academic dishonesty in the form of plagiarism, the student will receive, at minimum, an "F" or zero points for the assignment that was plagiarized, including essays, tests, term papers, projects, theses, messages posted to discussion boards, email messages, and chat sessions.

ACADEMIC HONESTY POLICY:

Honesty and integrity are expected from students at all times. General guidelines regarding academic honesty are outlined in the **Chaminade University Academic Honesty Policies and Procedures**.

STUDENT WITH DISABILITIES STATEMENT:

If you are a student with a physical and/or mental disability and you have disability concerns, you are warmly encouraged to contact the Student Service Office at 455 – 4700.

DIVERSITY STATEMENT

The Chaminade University is committed to the enhancement of cultural diversity and the inclusion of all racial and ethnic groups. It is the policy of the University to foster programs that promote diversity and equal opportunity with respect to employment and education. Chaminade University does not discriminate on the basis of race, color, creed, religion, national or ethnic origin, gender, age, disability, or veteran status.