FINA 469 – Investment Analysis and Portfolio Management  
Spring 2016 Syllabus

Section, Room, Time:  
Section 001; DMSB 134; MW 2:20 – 3:35pm  
Section 002; DMSB 134; MW 3:55 – 5:10pm  
Section 003; DMSB 134; MW 5:30 – 6:45pm  

Instructor:  
Greg Putnam, CFA  
Office: 461B DMSB  
Phone: 777-4926  
Email: greg.putnam@moore.sc.edu  
Office Hours: MW 10:00 – 11:30am

Required Text  
Investments, 10th Edition, McGraw-Hill. Authors: Bodie, Kane, Marcus. (BKM),  
ISBN: 9780077861674

Other Recommended Reading and Information  
In order to get a good feel for the topics in the course as they are presented in the “real” world, I would encourage you to read or visit websites including: Financial Times, Bloomberg, Wall Street Journal, The New York Times, etc. I will occasionally post articles on Blackboard from one of these or similar sources. These should be regarded as required reading, and you are likely to see exam questions referring to them.

Course Prerequisites  
Students are officially required to have taken FINA 363. You should have good familiarity with mathematics and basic statistics, and should be able to use Excel spreadsheets and associated functionality.

Financial Calculator Required  
A financial calculator, such as an HP 12C or Texas Instruments BA II Plus, is required for the course. The calculations found in this course are fairly broad in nature, ranging from basic cash flow valuation to more complex portfolio analysis, so the use of Excel for homework assignments, and a financial calculator on exams, is required.
Course Overview
This course will provide you with an in-depth introduction to investment analysis and portfolio management. Since my personal background includes a combination of academics and professional investment experience, I will do my best to include real world examples and background, particularly with respect to the material that I have had direct contact with. I have had a broad financial career, and have managed investments across several different asset classes and environments, so I hope that will provide you with some valuable perspectives.

The pie chart below will serve as a guide for us during the semester, as we will cover multiple investment asset classes and strategies. This chart represents a potential real-world, diversified global asset allocation portfolio.
A representative (but not exhaustive) list of topics and learning objectives includes:

- Securities Markets
- Types of Investment Vehicles
- Portfolio Theory
- Risk and Return
- Debt Securities
- Equity Securities
- Derivatives (Options and Futures)
- Alternative Investment Vehicles
- Asset Allocation
- Diversification
- Multi-Asset Class Investing
- Portfolio Management (Single and Multi-Asset Class Portfolios)

Recommended Finance-Related Books
Against The Gods and Capital Ideas, by Peter Bernstein.
When Genius Failed and The End of Wall Street, by Roger Lowenstein.
Liar’s Poker, Moneyball, The Big Short, Boomerang, and Flash Boys, by Michael Lewis.
The House of Morgan and Titan, by Ron Chernow.
Fooled By Randomness, by Nassim Nicholas Taleb.
Too Big To Fail, by Andrew Ross Sorkin.
The Worldly Philosophers, by Robert Heilbroner.
The Intelligent Investor, by Benjamin Graham.
Evaluation
The course’s graded assignments will consist of the following: two exams during the term; a cumulative final exam; homework assignments and problem sets.

*Grading Components and Weightings*

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Homework and Problem Sets</td>
<td>20%</td>
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<tr>
<td>Exam 1</td>
<td>25%</td>
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<tr>
<td>Exam 2</td>
<td>25%</td>
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<tr>
<td>Final Exam (cumulative)</td>
<td>30%</td>
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</tbody>
</table>

**Grade Scale**

- A 90-100
- B+ 88-89
- B 80-87
- C+ 78-79
- C 70-77
- D 60-69
- F 59 and below

Blackboard
I will post homework assignments, updates, materials, and information to Blackboard on a regular basis. These may include summaries of notes or concepts, presentations, problems and solutions, etc. You should check Blackboard daily for new information or potential changes. You are responsible for being aware of assignments and material posted on Blackboard.

I will mention homework assignments and due dates in class, but if you miss class, or for some reason you do not hear an announced assignment, you are still responsible for it. And in all cases, assignments will be posted on Blackboard. For the most part, homework assignments and problem sets will be facilitated through MyFinanceLab, so you will need to utilize that functionality as well.

Exams and Assignments
Homework will be assigned periodically during the semester, consisting of problem sets or brief case studies. If you do not complete a homework assignment, you will receive a score of zero for the missed assignment. You are encouraged to work together in study groups on homework.

Exams will be held in class and at the scheduled final exam time slot. If for any reason you miss Exam 1 or Exam 2, the weight for that exam will be assigned to the Final Exam. For each exam, you are permitted one 8.5x11 sheet of paper (both sides) with whatever information you would like. The only items permitted during the exam are: your information sheet, the exam form, No. 2 pencils, a Scantron form, and a calculator. **Cell/Smart phones are not permitted during the exam, and may not be used as calculators.** There is absolutely no sharing of any resources during the exam. Any violation of these guidelines will result in a grade of 0 for all involved parties on the exam, and will be considered a violation of the Honor Code.
Schedule
I am including an anticipated schedule of the order and pace with which the material will be covered. This schedule is subject to change depending on how the course progresses. I will keep you apprised of any changes as we move through the semester. The textbook is required, and will serve as an excellent reference and resource. However, the material covered in class should be your guide for the types of questions you will encounter on exams. I’ve listed the chapters associated with each group of topics, but we will not necessarily proceed in lockstep with the textbook.

ANTICIPATED SCHEDULE

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic(s)</th>
<th>Reading</th>
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<tbody>
<tr>
<td>1/11/2016</td>
<td>Intro; Asset Classes, Securities, Investment Companies</td>
<td>Syllabus; Ch. 1-4</td>
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<tr>
<td>1/18/2016</td>
<td>MLK Jr. Day 1/18 No Classes; Asset Classes &amp; Securities</td>
<td>Ch. 1-4</td>
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<tr>
<td>1/25/2016</td>
<td>Risk-Return; Efficient Diversification; Portfolio Theory</td>
<td>Ch. 5-8</td>
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<tr>
<td>2/1/2016</td>
<td>Risk-Return; Efficient Diversification; Portfolio Theory</td>
<td>Ch. 5-8</td>
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<td>2/8/2016</td>
<td>CAPM; EMH; Market Equilibrium</td>
<td>Ch. 9-13</td>
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<td>2/15/2016</td>
<td>CAPM; EMH; Market Equilibrium; EXAM 1 - 2/17</td>
<td>Ch. 9-13</td>
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<td>2/22/2016</td>
<td>Bonds; Bond Portfolios</td>
<td>Ch. 14-16</td>
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<td>2/29/2016</td>
<td>Bonds; Bond Portfolios</td>
<td>Ch. 14-16</td>
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<td>3/7/2016</td>
<td>Spring Break March 6 - 13</td>
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<td>3/14/2016</td>
<td>Macroeconomic Analysis; Equity Valuation</td>
<td>Ch. 17-19</td>
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<td>3/21/2016</td>
<td>Macroeconomic Analysis; Equity Valuation; EXAM 2 - 3/23</td>
<td>Ch. 17-19</td>
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<td>3/28/2016</td>
<td>Derivatives</td>
<td>Ch. 20-23</td>
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<td>4/4/2016</td>
<td>Derivatives</td>
<td>Ch. 20-23</td>
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<td>4/11/2016</td>
<td>Applied Portfolio Management</td>
<td>Ch. 24-28</td>
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<td>4/18/2016</td>
<td>Applied Portfolio Management</td>
<td>Ch. 24-28</td>
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<td>4/25/2016</td>
<td>Monday 4/25 Last Day of Class; Reading Day April 26</td>
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<tr>
<td>4/27/2016</td>
<td>FINA 469 - SECTION 003 - Final Exam - 4:00 PM</td>
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<td>4/29/2016</td>
<td>FINA 469 - SECTION 001 - Final Exam - 12:30 PM</td>
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<tr>
<td>5/2/2016</td>
<td>FINA 469 - SECTION 002 - Final Exam - 4:00 PM</td>
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University of South Carolina Honor Code
All forms of academic dishonesty are prohibited. These include cheating, plagiarism, lying in academic matters, fraud, bribery, unauthorized access to tests and examinations. I expect that all of you follow the highest possible interpretations of the honor code. Here is a copy of the Honor Code:

It is the responsibility of every student at the University of South Carolina Columbia to adhere steadfastly to truthfulness and to avoid dishonesty, fraud, or deceit of any type in connection with any academic program. Any student who violates this Honor Code or who knowingly assists another to violate this Honor Code shall be subject to discipline.

Darla Moore School of Business
Code of Student Conduct for Undergraduate Students

The Darla Moore School of Business is recognized globally for educating students who are prepared to become responsible business and civic leaders. An effective learning environment where students and faculty value integrity, professionalism and diligence is foundational to this mission.

Consistent with these values, the Student Leadership Council and the faculty of the Darla Moore School of Business expect students to:

- spend a minimum of two hours outside of class studying for each hour of classroom time;
- exhibit classroom behavior that is respectful to faculty and fellow students;
- refrain from the use of phones and other electronic equipment during class, unless permitted by the instructor;
- arrive at class on time, actively participate in class, and not leave class early;
- keep up with assigned readings and complete assignments on time;
- contribute fully to team assignments;
- respect the university’s staff and be responsible stewards of its facilities; and
- abide by the University of South Carolina Honor Code

Approved by the Undergraduate Student Leadership Council and the Faculty of the Darla Moore School of Business.