

FIN 311: Investments
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Class Hours: WF 09:00 - 10:15 a.m. (G-103)
WF 10:30 - 11:45 a.m. (G-103)
Office Hours: WF 14:00 – 15:00 p.m. or by Appointments

REQUIRED TEXT

1. Bodie, Kane and Marcus, Essentials of Investments (7th ed.), McGraw-Hill/Irwin (2008).
2. Lectures will also be drawn from materials from other sources, including class notes.

COURSE PREREQUISITES

- BUS 314: Business Finance
- Introductory courses in Accounting, Statistics and Economics.

COURSE DESCRIPTION

As a required course for finance major, *FIN 311* is designed to give you a better understanding of valuation of financial assets and trading of these assets. You will also learn institutional details of the U.S. financial markets. The main topics include: theory of asset pricing models and their applications in portfolio allocation decisions; stock and bond valuation; fixed income management; securities analysis; introduction to derivative assets; investment performance evaluation and portfolio management. This course also provides a good foundation for students who are interested in CFP/CFA exams.

GRADING POLICY

Comprehensive Final Exam	200 Points (33%)
Two Mid Term Exams	200 Points (33%)
Term Project: Stock Trak Investment Simulation	200 Points (33%)

1. **Examination:** Exams will be developed from the assigned readings, homework assignments, project assignment, and lecture materials. *No make-up exams* will be allowed. In general, work-related conflicts or overlapping assignments due in other classes are not valid excuses for rescheduling exams. You can bring your calculator to the exams. You may also bring a 2-page formula sheet (Size 8.5 x 11).
2. **Homework:** Homework assignments consist of end-of-chapter problems. The homework will help you understand lecture materials and prepare you for the

exams, but they are not graded. I plan to ask some of you to solve the problems in class when homework solutions are discussed. The solutions to homework will be posted in my homepage <http://www2.hawaii.edu/~rheesg>.

3. **Attendance:** Attendance is mandatory for all students. Absence for any personal reasons should be brought to the instructor's attention via phone or email.
4. **Grade Distribution:** Under normal circumstances, the grade distribution will look like this:

Grade	Percentage	Grade	Percentage	Grade	Percentage
A+	5%	A	5%	A-	15%
B+	15%	B	15%	B-	15%
C+	10%	C	10%	C- or below	10%
D	If warranted	F	If warranted		

5. **SCB Policies:** All relevant SCB policies concerning academic honesty, grievance procedure and confidentiality in grading apply.
6. **Email communication:** E-mails may be used sometimes to deliver assignments, handouts and announcements. Please be advised that your hawaii.edu email addresses are be used in this case.
7. **Guidelines for Term Project:** You will receive detailed guidelines for the term project.

ORGANIZATION OF TEXTBOOK

Part I:	Elements of Investments	Chapters 1 - 4
Part II:	Portfolio Theory	Chapters 5 - 9
Part III:	Bond	Chapters 10 - 11
Part IV:	Equity	Chapters 12 - 14
Part V:	Financial Derivatives	Chapters 15 - 17
Part VI:	Investment Management	Chapters 18 – 21)

COURSE OUTLINE (Tentative)**

<u>Date</u>	<u>Session Topics</u>	<u>Reading Assignments</u>
January 16 (W)	Overview of the Course	-
January 18 (F)	Financial Assets	Chapters 1 & 2, Part I
January 23 (W)	Securities Markets	Chapters 2 & 3, Part I
January 25 (F)	Mutual Funds	Chapter 4, Part I
January 30 (W)	Risk and Return (I)	Chapters 5 & 6, Part II
February 1 (F)	Risk and Return (II)	Chapters 5 & 6, Part II
February 6 (W)	Asset Pricing Model (I)	Chapters 7 & 8, Part II
February 8 (F)	Asset Pricing Model (II)	Chapters 7 & 8, Part II

February 13 (W) February 15 (F)	International Investing 1st Mid Term	Chapter 19, Part VI
February 20 (W) February 22 (F)	Bond (I) Bond (II)	Chapters 10 – 11, Part III Chapters 10 -11, Part III
February 27 (W) February 29 (F)	Equity (I) Equity (2)	Chapter 12, Part IV Chapter 13, Part IV
March 5 (W) March 7 (F)	Equity (3) Investment Strategies	Chapter 14, Part IV Reading Materials Assigned
March 12 (W) March 14 (F)	Investment Strategies Review Session conducted by	Reading Materials Assigned Research Assistant Trang Phan, Ph.D. student
March 19 (W) March 21 (F)	2nd Mid Term Holiday (Good Friday)	
March 26 (W) March 28 (F)	No Class (Spring Recess) No Class (Spring Recess)	
April 2 (W) April 4 (F)	Options (1) Options (2)	Chapters 15 - 16, Part V Chapters 15 - 16, Part V
April 9 (W) April 11 (F)	Futures (1) Futures (2)	Chapter 17, Part V Chapter 17, Part V
April 16 (W) April 18 (F)	No Class (Seoul International Financial Forum) Review Session conducted by	Research Assistant Trang Phan, Ph.D. student
April 23 (W) April 25 (F)	Portfolio Performance Special Lecture on Market Microstructure Issues	Chapter 18, Part VI
April 30 (W) May 2 (F)	Group Presentations (1) Group Presentations (2)	
May 7 (W)	Group Presentations, if necessary. Otherwise, no class	
May 12 – 16:	Final Examinations	

**Note: The above schedule may change depending on our progress

LECTURE MATERIALS

You can download lecture materials from my web site. Please visit directory “Fin311 (2008)” in <http://www2.hawaii.edu/~rheesg> for your copies. No hard copies will be distributed in class.