



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

Investments
BUSFIN 4221, Fall 2017

Instructor:

Prof Shaojun Zhang

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Course Website: <https://carmen.osu.edu>

Class Schedule:

Session 1: Tue & Thu 12:45 – 2:05pm

Session 2: Tue & Thu 2:20 – 3:40pm

Session 3: Tue & Thu 3:55 – 5:15pm

Course Objective:

Students should expect to learn about the fundamental principles of investment management. The goal is to equip students with the tools necessary to make good investment decisions. The course starts with an introduction to the financial markets and trading, and then discusses characteristics and valuation of most widely used financial instruments, i.e., equity, bond and derivatives, and concludes with an overview of the money management industry.



Text and Materials:

The textbook for the course is *Essentials of Investments*, 10th edition, by Bodie, Kane, and Marcus. The ISBN is 9780077835422. The custom print version ISBN is 9781260148138.

The primary source of materials for the course is in-class lectures by the instructor, and examinations will be based primarily on this material. Handouts and supplementary materials will be distributed in <https://carmen.osu.edu>.

Prerequisites:

This course is quantitative, but it does not focus on mathematical derivations or complicated statistical analysis. You should be familiar with basic mathematics, basic statistics, basic accounting, and basic economics. If your understanding of basic statistics (such as mean, variances, covariance, random numbers, and linear regression) is rusty, please review the relevant materials. The primary prerequisite for the course is Business Finance 3220 and the basic economics and statistics courses.

Topic Outline:

Part 1: Introduction to Financial Markets

- Topic 1: Financial Instruments and Markets
- Topic 2: Performance of Securities

Part 2: Equity

- Topic 3: Portfolio Theory: Two Risky Assets
- Topic 4: Portfolio Theory: With A Risk-free Asset
- Topic 5: CAPM, Market Efficiency, and Beyond CAPM
- Topic 6: Equity Valuation

Part 3: Fixed Income

- Topic 7: Basic Concepts, Yield Curve Theory, and Durations

Part 4: Derivatives

- Topic 8: Options and Futures

Part 5: Behavioral Finance

- Topic 9: Behavioral Finance



Grading/Performance Evaluation:

Problem Sets: 30%

Quizzes: 30% (15% + 15%)

Final: 40%

Total: 100%

Six Problem sets will be assigned help you learn and review, but only *five* will be used in your final grade. You may drop your lowest problem set score. Problem sets can be done in *groups of 1 to 3 people*, and one submission is required for each group. Problem sets are due *beginning of class in class* on due dates. *Late homework (delivered to my mailbox)* are deducted 2 out of 10 points per day late.

The exams will be administered during assigned periods. The exams will be closed book. The quizzes are *cumulative*, and the final exam will be *comprehensive*. A formula sheet will be provided. If you fail to take the quizzes for *any non-medical reason*, your grade will be calculated as *80%* of your final exam grade. If you do not take the quiz due to *medical reasons*, then your grade will be calculated the *same* as your final exam grade.

Workload Expectation:

The University and College expectation is that students spend two hours outside of class for every hour spent in class. Since this course meets 3 hours per week, you should expect to *spend 6 hours per week outside of class on course-related work*. Thus, you should be spending at least six hours per week outside of class on this course alone. That time should be spent reading the required material, taking notes on what you were reading, rewriting your class notes, meeting with class colleagues in going over what you have learned, working on homework problems, reading current investment news to see how concepts learned tie into the course, and thinking about how the course concepts tie together.

Work Environment and Office Hour Policy:

All cell phones and beepers must be turned off in class. Office hours should never be used to make up for missed classes: They are intended to complement class lectures but not to replace them. (I can make an exception in case of emergency. Please clear this with me beforehand.)



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, submitting the same or similar work for credit in more than one class, 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 a student is suspected of, or reported to have committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to COAM. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

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. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.