

**Seattle University**  
**Albers School of Business and Economics**

Instructor: Mason Gerety  
Office: Vashon, WA

Email: mgerety@seattleu.edu

Course Description: Investments

Class time: Online

Office hours: MW 10:00 – 11:00 and TTH 2:00 – 3:00, and by appointment. All office hours by Zoom

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## **FINC 3440: Investments Section 2**

### **General Course Information**

#### **Pre-requisites, Co- requisites, & other restrictions**

Pre-requisites: **FINC 3400**. NO EXCEPTIONS.

#### **Course Description**

The course assumes that you have completed introductory courses in basic algebra, finance, accounting and statistics. You are expected to have *proficiency* in (i) all mathematics up to calculus, (ii) accounting principles, (iii) basic statistics, especially knowledge on probability distributions, mean, variance, covariance, and regression analysis. (iv) spreadsheet modeling in *Microsoft Excel*, and (v) internet skills such as searching, email, downloading files, etc. If you have not completed the necessary coursework or do not feel comfortable with the requisite skills, you will find the concepts introduced in this course difficult. Please come to me if you have any questions about the requirements.

This course is a general overview of capital markets and financial instruments, such as money market securities, stocks, bonds, and options. This course helps students understand modern portfolio theory, its applications, and related empirical evidence. The students will learn to assess asset and portfolio returns and risks, and to construct efficient portfolios given investment objectives. They will also learn different valuation models to evaluate fixed income securities and stocks. This course also introduces options and basic option trading strategies.

### **Course Learning Objectives:**

This course meets the following all five learning outcomes of Seattle University Undergraduate Finance major.

- Describe and explain to lay individuals financial concepts relating to: value creation, risk management, and the functioning of financial institutions and world financial markets, for corporate and investor decision-making.
- Demonstrate strong critical thinking and problem solving skills within an ethical framework.
- Apply tools such as spreadsheet, mathematical, and statistical modeling to analyze problems and issues in finance.
- Employ discipline knowledge and skills orally and in written form in a professional manner in service to the community.
- Recognize social justice issues inherent in financial decision- making.

### **Textbook:**

Essentials of Investments

Edition: 11st

Author: Zvi Bodie, Alex Kane, Alan Marcus

ISBN: 978-1-26-001392-4

### **Financial Calculator:**

You are required to have a calculator that can perform financial calculations. I know how to use the **Texas Instruments BA II plus**. You can also choose calculators that have built-in financial functions. It should be able to calculate IRR (internal rate of return) for a stream of uneven cash flows.

### **Recommended Resources:**

Reading is fundamental. I suggest a regular read of the Wall Street Journal or other business-oriented publication.

### **Class Operation:**

This class will be online. You will find course material on Canvas as well as in your textbook. The best way to contact the instructor is through email. Canvas communications requires me to be in canvas to respond, and that can be slow.

### **Office Hours:**

While the class is online, office hours will be held using Zoom.

### **Problem Sets:**

You may work as teams on your problem sets. If you work as a team, please only turn in one copy of the problem set with every team member's name on it. There are seven problem sets each worth 5% of your grade.

**Exams:**

Exams are due on the days shown on the syllabus. Each exam is worth 17% of your grade. They are take home exams and are open book and open note. The exams are not cumulative, and neither is the final.

**Term Project:**

More will be coming on this as the term progresses and we will be learning material throughout the term that will allow you to complete the project. Overall the project is construction and monitoring of a sector based portfolio. Your sector will be randomly assigned to you. The project is worth 14% of your grade.

**Grading scale:**

This class is graded on the curve. You will thank me for that later. If at any time you want to know where you stand in class, you may email and I will tell you your class rank and what grade you would receive if the class were to end that day.

**Re-grading Policy:**

If you feel I have graded in error, you may resubmit your paper for a regrade. If I made a mistake in one place I may find mistakes elsewhere as well, and you may end up with a lower grade. Regrading is not a risk-free activity.

**Make-up Exam Policy:**

If you will be late turning in an exam I need to be told prior to the exam date.

**Class Schedule:**FIN 3440 Schedule  
Spring 2020

<b>Date</b>	<b>Assigned Reading</b>	<b>Quiz or Test</b>	<b>Assignment Due</b>
April 6	Chapter 1 and 2		
April 8	Chapter 3 and 4		PS 1 Chapter 2: 13, 14, 19, 26, 31 Chapter 3: 12, 15, 16, 17 Chapter 4: 11, 13, 16, 18
April 15			
April 20		Midterm 1	
April 22	Chapter 5		
April 27	Chapter 6		PS 2 Chapter 5: 6, 11, 12, 13, 14, 15, 16
April 29	Chapter 7		PS 3 Chapter 6: 8, 9, 10, 11, 12 Chapter 7: 4, 8, 10
May 4			PS 4 Chapter 8: 10, 14, 20, 22
May 6	Chapter 8		
May 11		Midterm 2	
May 13	Chapter 9		
May 18			PS 5 Chapter 9: 8, 12, 27
May 20	Chapter 10		
May 27	Chapter 13		PS 6 Chapter 10: 12, 16, 28, 34
June 1			PS 7 Chapter 13: 6, 12, 24 Chapter 15: 8, 10, 14
June 3	Chapter 15		Project Due

## Academic resources

Please take advantage of the academic support services available to you at the university. Even if you have had excellent study skills in the past, it is easy to slip into suboptimal habits and these services can help you excel in your studies.

### Library and Learning Commons

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<http://www.seattleu.edu/learningcommons/>

### Academic integrity tutorial

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<https://www.seattleu.edu/academic-integrity/resources-for-students/>

### General course and university policies

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#### **SUPPORT FOR STUDENTS WITH DISABILITIES**

If you have, or think you may have, a disability (including an “invisible disability” such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disability Services staff located in Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process.

#### **NOTICE ON RELIGIOUS ACCOMMODATIONS**

It is the policy of Seattle University to reasonably accommodate students who, due to the observance of religious holidays, expect to be absent or endure a significant hardship during certain days of their academic course or program. Please see, Policy on Religious Accommodations for Students.

#### **ACADEMIC POLICIES ON THE REGISTRAR WEBSITE**

<https://www.seattleu.edu/redhawk-axis/academic-policies/>

Be sure that you understand the following university academic policies, posted on the Registrar’s website:

- *Academic integrity policy*
- *Academic Grading Grievance Policy*
- *Professional Conduct Policy*