

University of Hawai‘i at Mānoa  
Shidler College of Business  
FIN 311: Investments  
Summer 2021  
Section 701: Online

Instructor: Pedro Villarreal  
Background: M.B.A. (Finance) and M.A. in Organizational Change, Hawaii Pacific University  
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***(Include the following in the subject of your email “FIN 311 (SS21): LAST, First Middle”)***

### **Course Overview**

This course focuses on financial theory and empirical evidence useful for investment decisions. Application of concepts will be a part of this course using industry standard resources. This course will cover the capital asset pricing model (CAPM) and arbitrage pricing theory, the efficient market hypothesis, equity and equity options markets, and debt securities. Market efficiency and inefficiencies will be examined to consider the role of “active” investments. Security analysis, active portfolio management, and financial organizational structures will be presented and examined. Alternative and cutting-edge financial theories will be briefly introduced such as behavioral finance, social analytics, and supply chain analysis.

### **Course Objectives**

The goal of this class is to teach you the three main elements needed by finance professionals: in-depth knowledge of financial markets, rigorous methodical analytical thinking, and mathematical derivation. You should be able to analytically examine investment opportunities by creating a model using mathematical techniques, while gaining an understanding of the strengths and weaknesses of different technical methods.

Hands on experience will be a large part of this class. You will be expected to apply what you learn to real world financial applications in equity, debt, and derivative instruments. To further enhance your knowledge, you need to go beyond class requirements and develop your own process for finding pertinent information, analyzing it, and discerning what information you can use to make investment decisions.

### **Course Materials**

#### ***Required Reading***

Bodie, Z., Kane, A., & Marcus, A. J. (2022). Essentials of Investments (12th ed.). McGraw-Hill Education

This course will be participating in the Bookstore’s Interactive Digital Access Program (IDAP).

Through this program, you will access your course material digitally, and it will be available to you by the first day of class.

A charge for the digital course material through IDAP will be added to your MyUH account.

You have the option to opt-out of receiving your course material through IDAP. By opting-out, you will lose access to the course material and the charge will be refunded on your MyUH account. If you do not opt-out, the charge will stay on your MyUH account. Any unpaid charges on your MyUH account will turn into a hold. Holds on your account will prevent you from accessing various services within the University.

You may opt-out by visiting your unique Inclusive Access Student Portal, which can be found in your IDAP welcome email (Subject Line: “IMPORTANT: You have enrolled in an IDAP Course”).

For more information regarding IDAP, please contact your campus bookstore.

### ***Required Software***

- Microsoft Office Word and Excel
- Bloomberg (tentative)

### ***Recommended Reading***

- Wall Street Journal
- Bernstein, P. L. (2009). *Capital Ideas: The Improbable Origins of Modern Wall Street*. Wiley.
- Graham, B. (2005 Reprint of 1949 Edition). *The Intelligent Investor: The Classic Text on Value Investing* (Third ed.). Harper Business.
- Graham, B., & Dodd, D. (2008). *Security Analysis: Sixth Edition* (6th ed.). McGraw-Hill Education.
- Leibowitz, M. L., Homer, S., & Kogelman, S. (2013). *Inside the Yield Book: The Classic That Created the Science of Bond Analysis* (3rd ed.). Bloomberg Press.

### ***Recommended Calculator***

Either of the two calculator models below are authorized for use during the CFA Program exams:

- Texas Instruments: BA II Plus (including BA II Plus Professional)
- Hewlett Packard: 12C (including the HP 12C Platinum, 12C Platinum 25th anniversary edition, 12C 30th anniversary edition, and HP 12C Prestige)

## Grading

The letter grade will be based on a sum of points earned as follows:

<i>Letter Grade</i>	<i>A+</i>	<i>A</i>	<i>A-</i>	<i>B+</i>	<i>B</i>	<i>B-</i>	<i>C+</i>	<i>C</i>	<i>C-</i>	<i>D+</i>	<i>D</i>	<i>D-</i>	<i>F</i>
<i>Minimum %</i>	100	95	90	87	83	80	77	73	70	67	63	60	0

<i>Requirements</i>	<i>Percentage</i>
<i>Five assignments</i>	50%
<i>Mid-term exam</i>	10%
<i>Course project</i>	40%
<i>Map of Market Interactions (extra credit)</i>	5%

### ***Class Preparation and Focus***

We are in challenging times. It is crucial to adapt to change and this class will require you to adapt to an online learning environment if you have not already done so. There are advantages and disadvantages to online courses. You have flexibility to set your own time to progress through the content but must stay focused or you will not have enough time successfully complete the work by the due dates. This class will be presented through a series of lecture videos. Preparation and focus are crucial to get the most from your investment in this class. You must give yourself enough time to comprehend and test your knowledge to enhance your understanding of various financial concepts.

If you have questions or need additional clarification you must set a time to meet with me as soon as possible. If enough students are asking the same questions, I will schedule an online class to answer questions or provide additional guidance.

### ***Assignments***

<i>Assignments</i>	<i>Percentage</i>
<i>Assignment 1: Security, Markets &amp; Capital Market Theory</i>	10%
<i>Assignment 2: Portfolio Theory</i>	10%
<i>Assignment 3: Debt Securities</i>	10%
<i>Assignment 4: Security Analysis</i>	10%
<i>Assignment 5: Derivative Markets &amp; Active Investment Management</i>	10%

### ***Midterm Exam***

The mid-term exam will include multiple choice questions, calculations, and interpretation questions. You are responsible for the material in the lecture videos and other class content. The mid-term will be online and must be completed independently.

### ***Course Project***

The course project is your opportunity to test your comprehension by applying what you learn. The course project will be integrated in the course and will require you to find, research and select financial instruments to construct a portfolio. Parts of the project will be due after the respective subject matter is presented. Additional information and guidance will be presented.

### **File Submission**

All materials must be submitted through Lulima. Files must be named as follows: Your last name, first initial and assignment name abbreviated (i.e., VillarrealPA1.xlsx). Do not use any spaces, dashes, commas, or other punctuation in your file name.

### **Course Content Variation Disclosure**

Exact dates and details will be announced through Lulima and are subject to change.

### **CBA Policies**

All relevant CBA policies concerning academic honesty, grievance procedure and confidentiality in grading apply. Please refer to academic dishonesty as defined by the UH Student Conduct Code ([http://studentaffairs.manoa.hawaii.edu/policies/conduct\\_code/](http://studentaffairs.manoa.hawaii.edu/policies/conduct_code/)) for detailed policy. To be clear, you are not authorized to use anyone else's work, previous students work, or purchase work to submit as your own.

For the last day to withdraw from Shidler College of Business courses numbered 300 and above (with "W" grade) refer to the Office of Student Affairs policy. Students with disabilities are encouraged to contact the KOKUA Program for information and services. Services are confidential and free of charge. The KOKUA program can be contacted at: (808) 956-7511, [kokua@hawaii.edu](mailto:kokua@hawaii.edu), or Student Services Center Room 13.