

# College of Business

TENNESSEE STATE UNIVERSITY

Spring 2013

## FINA 6650-80 Portfolio Management Course Syllabus

The right to make revisions to this Syllabus is reserved by the professor.

### LOCATOR INFORMATION:

Course Name: FINA 6650-80 Portfolio Management

Credit Hours: 3 Credit Hours

Meeting/Contact Hours: Tuesday, 5:30pm-8:30pm, AWC 308

**INSTRUCTOR:** Name: Dr. Chun-Da Chen, Ph.D. in Finance  
Office: AWC K452  
Phone: 615-963-7384  
E-mail: [cchen2@mytsu.tnstate.edu](mailto:cchen2@mytsu.tnstate.edu) **(I ONLY use this email)**  
Web: <http://faculty.tnstate.edu/cchen/>

Office Hours: Tuesday: 10:00am-5:30pm  
Thursday: 10:00am-2:40pm

### REQUIRED TEXTBOOK & MATERIALS:

1. REQUIRED CLASS MATERIAL: APLIA (Access Code, including the following digital-Textbook and on-line Assignments)
  - Digital-Textbook (PDF format)  
Investment Analysis & Portfolio Management: Tenth Edition, by Reilly and Brown (RB)  
Financial Analysis with Microsoft Excel: Sixth Edition, by Mayes (M)

### 2. REQUIRED CALCULATOR (**TI BA II**) or Spreadsheet (Excel)

You are responsible for having a financial calculator **the first day** of the semester. A financial calculator is **REQUIRED** as it **will probably be impossible to pass the tests without one**. As you will soon see, the ability to use a financial calculator is critical to success in the class. Calculators may not be shared during tests. Please make sure that you bring your calculator and extra batteries to each class and test. ONLY the **Texas Instruments BA II** calculator will be used in this class. All steps to work various problems with it will be explained.

If you have an engineering or other technical background and have knowledge of a financial calculator other than **TI BA II**, **you are responsible for learning how to operate your calculator within the first week of the semester** and your calculator should be capable of solving for 1) Present value, 2) Future value, 3) Annuity payments, 4) Interest rate, 5) the number of time periods, 6) Net present value, and 7) the internal rate of return. However, using same calculator you can follow lectures most easily.

- I might **UPLOAD** related materials (PPTs) and handouts in your **MYTSU account**, and then you can download them by yourself if you missed the class.

## **COURSE DESCRIPTION and OBJECTIVES**

The purpose of this course is to provide a conceptual and theoretical foundation for the activities of student managers involved with the on-going operations of the TVA Investment Program. Using a blend of academic- and practitioner-oriented readings, case studies, projects, and group analytical sessions, managers will be introduced to both the conventional wisdom and state-of-the-art methods used in performing many of the Program's functional tasks, including security research, security trading, economic forecasting, and organizational coordination. After establishing a background in the technical aspects of managing a security portfolio, we will focus on developing a solid intuition about what an investment professional in each of these positions must know to do his or her job well. It is assumed that students have completed (or are concurrently enrolled in) the relevant prerequisite courses in finance, accounting, and statistics.

## **ACADEMIC INTEGRITY:**

Academic honesty and integrity lie at the heart of any educational enterprise. Students are expected to do their own work and neither to give nor to receive assistance during quizzes and examinations. Deliberate violations of academic integrity (plagiarism, cheating, misrepresentation, and fabrication of information) are not tolerated. Actions outlined in the Tennessee State University Student Handbook under Code of Student Conduct will be followed for incidents of academic misconduct.

## **REASONABLE ACCOMMODATIONS:**

Any students requiring accommodations should contact Patricia Scudder, Director of Students with Disabilities—Disabled Student Services Office, at 963-7400, preferably before the fourth class meeting. The College of Business, in conjunction with the Office of Disabled Student Services, makes reasonable accommodations for qualified students with medically documented disabilities. I need to be aware of your status if it will affect your class activities and assignments---before assignments are due.

## **CODE OF STUDENT CONDUCT:**

There will be no eating, drinking, sleeping or disruptive behavior in the classroom. Each student is encouraged to participate in classroom activities, ask questions, and work along with the class as recommendations/problem solutions to illustrations, examples, and cases are examined. Additionally, cell phones must be turned off upon entering the classroom and should remain so until class has ended. Action will be taken against those students who do not adhere to appropriate classroom behavior.

## **ATTENDANCE & LATE WORK:**

**Be on time;** students who arrive late disrupt the discussion and diminish the learning process. If a student is not present, she or he cannot learn from unique thoughts and in sights of group discussion. Attendance roll will be taken during each class meeting. With

the understanding that “excessive absences” is defined as three missed classes, or the equivalent; a student may be reported for excessive absence from class.

Attendance, student participation, and enthusiasm are essential ingredients for success in this course. The classroom is an environment that must be conducive to active learning. You must to attend class regularly, read the assigned chapters before class and work relevant problems outside class. Failing to do so make it likely you will not master the material in this class required for future classes. You are responsible for obtaining any information that is given in class in the event you must miss a class.

### **TEACHING STRATEGIES:**

This class meets once a week for a total of 3 hours. I will be talking a lot about the finance, but I intend to mix this with numerous examples on how to actually carry out the calculations involved.

### **ASSIGNMENTS & EVALUATION CRITERIA:**

#### **Grades:**

There will be THREE general areas of evaluation in this course:

● TWO Exams	40%
● Class Participation (including In-class reading materials)	30%
● Final Projects	<u>30%</u>
	100%

#### **Exams:**

Each of the TWO exams will consist of 25-30 questions and a problem section where you must show your work. Exams are curved such that the average grade is 75%. However, any scores below 50% are excluded from the calculation of the curve. Students are expected to complete exams and projects at the scheduled times. Make-up exams will not be given except in extreme situations and with prior notification. Examination dates are subject to change. You will be notified of changes in advance.

**\*\*\* Do not anticipate any further grade adjustments.**

### **COURSE OUTLINE AND TEST SCHEDULE:**

Week 1:	Jan. 22	RB CH5 Security-Market Indexes M CH1 Introduction to EXCEL 2010
Week 2:	Jan. 29	RB CH6 Efficient Capital Markets Related Papers
Week 3:	Feb. 5	RB CH7 An Introduction to Portfolio Management
Week 4:	Feb. 12	RB CH8 An Introduction to Asset Pricing Models
Week 5:	Feb. 19	RB CH9 Multifactor Models of Risk and Return M CH5 Financial Forecasting
Week 6:	Feb. 26	<b>EXAM 1</b>

Week 7:	Mar. 5	RB CH16 Equity Portfolio Management Strategies M CH8 Common Stock Valuation
Week 8:	Mar. 12	<b>NO class, Spring Break</b>
Week 9:	Mar. 19	RB CH18 The Analysis and Valuation of Bonds M CH9 Bond Valuation
Week 10:	Mar. 26	RB CH19 Bond Portfolio Management Strategies
Week 11:	Apr. 2	RB CH20 An Introduction to Derivative Markets and Securities M CH10 The Cost of Capital
Week 12:	Apr. 9	<b>EXAM 2</b>
Week 13:	Apr. 16	RB CH21 Forward and Futures Contracts M CH11 Capital Budgeting
Week 14:	Apr. 23	RB CH22 Option Contracts M CH13 Portfolio Statistics and Diversification
Week 15:	Apr. 30	RB CH25 Evaluation of Portfolio Performance M CH14 Writing User-Defined Functions with VBA
<u>Week 16:</u>	<u>May 7</u>	<u><b>TVA Final Project DUE, by 5:00 PM</b></u>

**GOOD LUCK!**

-----PLEASE DETACH AND TURN IN LOWER PORTAION TO DR. CHEN-----

**SEMESTER/YEAR:** \_\_\_\_\_/\_\_\_\_\_

**COURSE NAME:** \_\_\_\_\_

**INSTRUCTOR'S NANE:** \_\_\_\_\_

**STUDENT'S NAME:** \_\_\_\_\_

**I have received, read and understand this syllabus as presented by the instructor and am clear as to the requirements and effort that will be required to succeed in this course.**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**GOOD LUCK!**