Information For Course Reference # **10230** in Spring 2012

**General Course Information**

- **CRN**: 10230
- **Course Title**: Security Analysis
- **Description**: An advanced and comprehensive coverage of investment topics including bond analysis, stock options, commodities, interest rate futures, options on futures contracts, portfolio analysis and management, and security market efficiency.
- **College**: Business
- **Department**: Economics & Finance
- **Course No.**: FIN 4514
- **Credit Hours**: 3

**Meeting Information**

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<tr>
<th>Class</th>
<th>Start</th>
<th>End</th>
<th>Days</th>
<th>Time</th>
<th>Room</th>
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</thead>
<tbody>
<tr>
<td>Exam</td>
<td>Jan 9, 2012</td>
<td>Apr 23, 2012</td>
<td>TR</td>
<td>2:00-3:15pm</td>
<td>LH 1202</td>
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<td>TBD</td>
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**Prerequisites**: FIN 3504

**Distance Learning/Off Campus Course Information**

- **Is this a DL Course?**: No, it is an on-campus course.
Instructor Information

Instructor  Steven P. Fraser
E-Mail Address  sfraser@fgcu.edu
Phone Number  (239) 590-7336
Office Location  Lutgert Hall 3365

Office Hours  Tuesday & Thursday 3:30-5:00pm, Wednesday 1:30-4:30pm, or by appointment through the last day of classes. Students should make an appointment whenever possible. There will be no office hours held on the day of an exam.

Teaching Philosophy  This course is designed to provide the student with an overall understanding of the investment landscape through the lens of both individual and institutional investors. This course will build on the foundations established in FIN 3504, and examine the role of asset allocation in forming a portfolio.

You should view the instructor as a compliment, not a substitute, for the course text. I seek to have an engaged classroom environment, and will highlight and demonstrate those concepts that which will help the student develop the skills necessary to form, monitor, and manage a portfolio.

Additional Instructor Information  As a member of this class, you are expected to show respect for all people. Such respect specifically precludes any type of harassment, inappropriate comments, or conduct that might create a hostile environment. We expect the climate in classrooms to be professional at all times and encourage you to do your part. Should you have concerns, please address them with your instructor or with the department chair, Prof. Weeks.

Course Materials

Required Course Materials  TEXTBOOK: Portfolio Construction, Management, & Protection, 5d, by Robert A. Strong, and supplemental readings as assigned

Four (4) examination booklets available at the bookstore. Bring one to class on the first day of class.

RECOMMENDED CALCULATOR. Texas Instruments BA II PLUS.

USE OF ALL OTHER ELECTRONIC DEVICES (phones, laptop computers. etc.) is PROHIBITED DURING CLASS unless coordinated with the instructor.

Optional Course Materials  I recommend you stay current with financial market news by reading the Wall Street Journal. You will also want to retain your text from FIN 3504.
Course Policies

GRADING:
- Exam 1: 25%
- Exam 2: 25%
- Assignments/Journal: 20%
- Final: 30%

A = 90% or better
B = 80-89%
C = 70-79%
D = 60-69%
F = less than 60%

DO NOT ANTICIPATE ANY SCALING OF GRADES!

ATTENDANCE: You are expected to be present for class and exams. It is the student's responsibility to notify the instructor of a serious problem prior to the exam. Failure to appear for the final exam without prior instructor notification will result in a grade of zero.

You should attend all class sessions, and be prepared to participate with comments and questions on the material to be covered. If you must miss a session, you should obtain notes from a classmate. You are responsible for knowing all material covered in class. That includes new material, assignments, quizzes, exams, and changes to the syllabus.

EXAMS: Students should plan that exams take place at the beginning of the indicated period. Students not in place at the beginning of the indicated period may only take the exam at the discretion of the instructor. There are no make-up exams. Failure to appear for an exam or the final exam will result in a grade of zero for that examination. Should extenuating circumstances exist where a student might miss an exam, students shall coordinate the absence with the instructor as soon as possible.

ASSIGNMENTS: Assignments will be administered at various times throughout the semester and are to be completed in a professional manner (e.g. typed). Each assignment will include a documentation statement. The documentation statement will include any references or sources used, as well as to document the type of any assistance received from another individual. If a student completes the assignment without assistance, a documentation statement is still required stating such. Students may be selected to present the results of any assignment.

IN-CLASS JOURNALS: Students will be required to answer concept questions as part of an in-class journal exercise. Each entry should be clear, concise, well thought out, and well written. Journal grades are included in the homework/journal portion of the grade. Students may be called upon to present a summary of their journal entry to the class.
Learning Objectives

Learning Objective | Assessment Strategy
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1. Understand the development and role of Investment Policy Statements (IPS). | Exam 1 – Test Questions
Assignments – Development of IPS

2. Understand the theory and mathematics of modern portfolio theory (MPT). | Exam 1 – Test Questions
Exam 2 – Test Questions

3. Understand the importance of asset allocation, rebalancing, and use of options in portfolio management. | Exam 2 – Test Questions
Assignments – Sample portfolio analysis
Final Exam – Test Questions

Agenda

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<th>Date</th>
<th>Topic</th>
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| 9/11 January | Chap 1 The Process of Portfolio Management  
             Chap 2 Valuation, Risk, Return, & Uncertainty   |
| 17/19 January| Chap 2 Valuation, Risk, Return, & Uncertainty  
             Chap 5 The Mathematics of Diversification       |
| 24/26 January| Chap 6 Why Diversification is a good idea/Supplemental Reading |
| 31 Jan/2 Feb | Chap 3 Setting Portfolio Objectives  
             Chap 4 Investment Policy                          |
| 7/9 February | REVIEW/EXAM 1                                          |
| 14/16 February| Chap 7 International Investment                        |
| 21/23 February| Chap 8 Capital Markets & Market Efficiency  
             Chap 9 Picking the Equity Players                |
| 28 Feb/1 March | Chap 10 Equity Valuation  
                      Chap 11 Security Screening                        |
| 6/8 March   | Spring Break                                            |
| 13/15 March | Chap 12 Bond Pricing and Selection                      |
| 20/22 March | REVIEW/EXAM 2                                           |
| 27/29 March | Chap 15 Revision of the Equity Portfolio                |
| 3/5 April   | Chap 16 Revision of the Fixed-Income Portfolio          |
| 10/12 April | Chaps 13 & 14 The Role Real Assets/Alternative Investments/ Supplemental Readings |
| 17/19 April | Chap 17 Principles of Options and Option Pricing  
             Chap 18 Option Overwriting                        |
University Statements:

**Academic Behavior Standards and Academic Dishonesty**
All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under the **Student Code of Conduct** and **Policies and Procedures** sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Student Guidebook is available online at [http://studentservices.fgcu.edu/judicialaffairs/new.html](http://studentservices.fgcu.edu/judicialaffairs/new.html).

**Disability Accommodations Services**
Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university’s guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a disability, please contact the Office of Adaptive Services. The Office of Adaptive Services is located in Howard Hall 137. The phone number is 239-590-7956 or TTY 239-590-7930.

**Student Observance of Religious Holidays**
All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith. Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.

**Resources for Faculty General Education**
Information on General Education program requirements is available online at [http://www.fgcu.edu/General_Education/index.html](http://www.fgcu.edu/General_Education/index.html).

**Service-Learning**
Information on integrating service-learning into the course and course syllabus is available online at [http://www.fgcu.edu/Connect/](http://www.fgcu.edu/Connect/).

**Distance-Learning**
Information on distance learning courses is available online at [http://itech.fgcu.edu/distance/](http://itech.fgcu.edu/distance/).

**Online Tutorials**
Information on online tutorials to assist students is available online at [http://www.fgcu.edu/support/](http://www.fgcu.edu/support/).