

## **Course Outline**

### **SECTION I**

SUBJECT AREA AND COURSE NUMBER: BFN 203

COURSE TITLE: Principles of Investments

COURSE CATALOG DESCRIPTION: Introduction to the field of security markets, encompassing a survey of the many financial instruments and types of investments available today. Common stocks, preferred securities, bonds, options, mutual funds, and commodities are also evaluated. Emphasis is placed on security valuation including an exposure to both the fundamental and technical aspects of investing, as well as modern portfolio theory. Sources of investment information, including computerized data information retrieval and investing, are also covered.

LECTURE HOURS PER WEEK: (3)

CREDIT HOURS: (3)

LAB HOURS PER WEEK: (N/A)

PREREQUISITES: BFN 107

### **SECTION II**

A. SCOPE: This course will give students information and exposure to the nuances of investing to enhance their understanding from a career and personal finance standpoint.

B. REQUIRED WORK: Students will complete all assigned readings, projects, and other work as determined by the instructor and described in the course syllabus.

C. ATTENDANCE AND PARTICIPATION: Punctuality and attendance in classes is of prime importance for successful completion of this course, just as the same punctuality and attendance is important in the business world. Students will be expected to arrive for class on time and to remain in class until the end of the class session.

Specific instructor policies will be included in the course syllabus.

D. METHODS OF INSTRUCTION: The methods of instruction will be determined by the instructor and may include but are not limited to lectures, case studies, guest speakers, and exercises from the textbook, videos, transparencies, Power Point presentations and student experiences and responses.

E. OBJECTIVES, OUTCOMES AND ASSESSMENT: The following objectives and outcomes represent the department's core requirements for student achievement.

| <b>LEARNING OBJECTIVES</b>                                    | <b>LEARNING OUTCOMES</b>   | <b>ASSESSMENT METHODS</b>                |
|---|--|--|
| <b>To demonstrate an understanding of:</b>                    | <b>Students will:</b>  | <b>As measured by:</b>                   |
| Fundamental Investment topics                                 | <ul style="list-style-type: none"> <li>• List and explain fundamental investing terms</li> <li>• Summarize the different investment alternatives</li> <li>• Analyze the techniques professionals use to value assets and to construct portfolios</li> <li>• Illustrate the benefits of effective risk management</li> </ul>                                    | Tests and homework exercises             |
| Calculate and derive the time value of money                  | <ul style="list-style-type: none"> <li>• Calculate future value, present value, the future sum and present value of an annuity</li> <li>• Calculate compounding (annual and non-annual), utilize the “Rule of 72”.</li> <li>• Calculate the impact of uneven cash flows</li> <li>• Calculate the process of discounting and the valuation of assets</li> </ul> | Tests and homework exercises             |
| Concepts regarding risk and portfolio management              | <ul style="list-style-type: none"> <li>• Distinguish between the sources of risk</li> <li>• Calculate various measures of risk including the return and the standard deviation of a portfolio investing in common stock and fixed-income securities</li> </ul>   | Tests and portfolio simulation game      |
| Characteristics of Derivative securities                      | <ul style="list-style-type: none"> <li>• Analyze speculative and hedging financial assets, option valuation and strategies, and commodity futures</li> </ul>   | Case studies                             |
| Foreign securities and alternative markets                    | <ul style="list-style-type: none"> <li>• Enumerate the advantages and risks associated with foreign investments</li> <li>• Identify the sources of risk and return from investing in non-financial assets such as collectibles, natural resources, and real estate</li> </ul>  | Case studies                             |
| Financial planning and managing an equity-oriented portfolio. | <ul style="list-style-type: none"> <li>• Identify financial goals and the assets needed to meet them</li> <li>• Manage a virtual portfolio of stocks, options, futures, bonds, and/or mutual funds</li> </ul>  | Performance in portfolio simulation game |

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F. TEXTS:

Recommended: Mayo, Herbert B., *Investments: An Introduction (9th Ed.)*, Thompson Southwestern publishers, Mason, Ohio, 2008

Access to a PC is required. A flash drive may be required to store assignments and presentations.

G. INFORMATION TECHNOLOGY: Use business application software to produce work products and conduct research using the Internet or as determined by the instructor and described in the course syllabus.