Course Syllabus
FIR 3710 M50 – Investments
Spring 2019 – 3.0 Credit Hours

Instructor: Konstantin Sokolov, PhD
E-Mail: ksokolov@memphis.edu
Office FCBE 425
Phone (901) 678-3345
Office Hours MW 2:10 – 3:10 p.m. or by appointment
URL http://ksokolov.ca

1 Course Overview:
FIR 3710 presents the foundational tools and ideas of investments. This course has two main topic areas: valuation and risk. The valuation part of the course covers time value of money mathematics and securities (bond and stock) valuation. The risk component defines risk and presents portfolio theory.

2 Textbook

3 Course Learning Objectives
1. Develop an appreciation and understanding of the global financial environment.
2. Setup and solve in sequential steps complex Time Value of Money problems.
3. Evaluate projects using metrics such as NPV, PI and IRR.
4. Identify real options and use decision trees to determine value of projects with real options.
5. Identify the three levels of market efficiency and explain the implications of market efficiency.
6. Describe and valuate the major classes of securities.
7. Use the CAPM to determine expected return and to adjust project risk.
8. Understand the benefits and limitations of diversification.
9. Develop and/or improve your critical thinking and problem solving skills by practicing when and how to apply concepts to newly encountered problems in finance.
4 Learning Outcomes for Your Degree

This course is designed to help you to meet the overall learning objectives for the BBA degree offered by the Fogelman College of Business and Economics. You should take the time to become familiar with the overall learning objectives as a student in the BBA degree program.

5 Student Responsibilities

Students will be treated as (and be expected to behave as) adult learners. Adult learners have four main characteristics: 1) they are self-directed; 2) they are experienced learners; 3) they are ready to learn; and 4) they are self-motivated to learn.

Self-directed means the adult learner can plan and allocate their time to suit their learning needs. In the context of this course, that means working steadily (not procrastinating), completing the homework on schedule (starting homework early so that last minute issues do not interfere), and being prepared to write exams when they scheduled.

Being ready to learn means having the right tools (i.e., a spreadsheet) and a quiet workspace. Being ready also means that a student is aware of course news and policies.

Motivated means that students are genuinely interested in the course content and not solely motivated by grades.

6 Instructor Responsibilities

I will help you to learn by providing the following:

- Lectures with explanations of course concepts, in-class activities and downloadable lecture slides;
- A list of clear and reasonable learning tasks and outcomes, with directions for achieving these tasks and outcomes;
- Useful and timely feedback so that you can learn from mistakes and move forward;
- Sufficient contact time with the instructor in office hours and through email;
- Opportunities for you to provide useful course feedback without fear of prejudice or retribution;
- A well-organized course that provides you with the best possible opportunity to learn finance.

7 Instructor rights:

The instructor reserves the right to interpret this syllabus and reserves the right to make modifications to this syllabus and/or the class schedule (see below) if deemed necessary. Any modifications to the syllabus and the class schedule will be previously discussed with the students.
8 Grading and Evaluation Criteria

<table>
<thead>
<tr>
<th>Test</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
</tr>
</tbody>
</table>

9 Grading Scheme
The grading scale will be as follows.

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100</td>
<td>A (Excellent)</td>
</tr>
<tr>
<td>80-89</td>
<td>A- (Excellent)</td>
</tr>
<tr>
<td>77-79</td>
<td>B+ (Good)</td>
</tr>
<tr>
<td>73-76</td>
<td>B (Good)</td>
</tr>
<tr>
<td>70-72</td>
<td>B- (Good)</td>
</tr>
<tr>
<td>67-69</td>
<td>C+ (Average)</td>
</tr>
<tr>
<td>63-66</td>
<td>C (Average)</td>
</tr>
<tr>
<td>60-62</td>
<td>C- (Average)</td>
</tr>
<tr>
<td>50-59</td>
<td>D (Passing)</td>
</tr>
<tr>
<td>&lt;50</td>
<td>F (Not Passing)</td>
</tr>
</tbody>
</table>

10 Class Policies

Test policies

Students who miss any of the in-class quizzes and who have a valid medical note, academic or religious conflicts, will write a longer, cumulative final exam with extra questions on the respective

11 Schedule

<table>
<thead>
<tr>
<th>Class</th>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>14/1-20/1</td>
<td>1</td>
<td>Introduction</td>
</tr>
<tr>
<td>21/1-27/1</td>
<td>2</td>
<td>Streams of Payments (Revision)</td>
</tr>
<tr>
<td>28/1-3/2</td>
<td>3</td>
<td>Decision Making Rules (NPV, IRR, PI, Sunk Costs)</td>
</tr>
<tr>
<td>4/2-10/2</td>
<td>4</td>
<td>Decision Making Rules (Equivalent Annuity and Replacement)</td>
</tr>
<tr>
<td>11/2-17/2</td>
<td>5</td>
<td>Test 1</td>
</tr>
<tr>
<td>18/2-24/2</td>
<td>6</td>
<td>Real Options (Chapter 15)</td>
</tr>
<tr>
<td>25/2-3/3</td>
<td>7</td>
<td>Efficient Markets Hypothesis (Chapter 8)</td>
</tr>
<tr>
<td>4/3-10/3</td>
<td>8</td>
<td>Spring Break</td>
</tr>
<tr>
<td>11/3-17/3</td>
<td>9</td>
<td>Bonds 1 (Chapter 10)</td>
</tr>
</tbody>
</table>
12 University Policies

Academic Integrity
The University of Memphis has clear codes regarding cheating and classroom misconduct. If interested, you may refer to the Student Handbook section on academic misconduct for a discussion of these codes. Exams and quizzes should be solely the work of the individual. Group assignments should be solely the work of the group. Financial calculators and other such aids may be used upon approval of the instructor. Academic dishonesty (including but not limited to cheating on an exam, allowing others to cheat, altering records, etc.) will be pursued to the furthest extent. If you have any questions about academic integrity or plagiarism, you are strongly encouraged to review the [Fogelman College’s Website on Academic Integrity](http://www.memphis.edu/professional/internships/academic_credit.php).

Adding/Dropping
If you have questions about adding or dropping classes, please refer to this page on the [Registrar’s website](http://www.memphis.edu/professional/internships/academic_credit.php).

Student Services
Please access the [FCBE Student Services](http://www.memphis.edu/professional/internships/academic_credit.php) page for information about:

- Students with Disabilities
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance

**FCBE Academic Internship Credit:**
In FCBE, all majors offer an academic internship course option as a substitution for a required elective in a student’s major. To apply for academic credit, students must obtain an internship highly related to their major, register prior to the start of their internship and have their internship approved by departmental internship faculty. To review the requirements for applying for academic credit, visit [http://www.memphis.edu/professional/internships/academic_credit.php](http://www.memphis.edu/professional/internships/academic_credit.php)

Students should allow approximately two weeks for the review and processing of an academic internship application through the Fogelman Internship Network.
13 FAQ

Q: I was sick during the quiz/exam. Do I need to provide a doctor’s note?
A: Yes.

Q: Do I need to hand in my solutions to the practice questions?
A: No.

Q: I think that there is a mistake in the instructor’s solution to the problem. What should I do?
A: Contact your instructor.

Q: Is buying a textbook mandatory for successfully passing the course?
A: No.