

Syllabus for
FIN 468—Portfolio Management
3.0 Credit Hours
Spring 2022

I. COURSE DESCRIPTION

A study of portfolio management including theoretical and practical approaches to portfolio management; the connection between the organization and operation of the securities markets upon portfolio management; the relationship between risk and return; the construction of bond and equity portfolios; the connection between asset pricing and portfolio management; optimal portfolio allocations including the role of derivatives, options, and non-financial assets; the evaluation of portfolio performance; and the function, structure, and operation of mutual fund, pension fund, and endowment or trust portfolios.

Prerequisites: FIN 338 and FIN 418

II. STUDENT LEARNING OUTCOMES FOR THIS COURSE

As a result of successfully completing this course, the student will be able to do the following:

- A. Explain the impact of different investment philosophies upon portfolio formation.
- B. Explain the impact of market conditions upon portfolio allocation and management decisions.
- C. Evaluate portfolio performance, including the application of appropriate benchmarks.
- D. Articulate the differences in the function, structure, and operation of mutual funds, pension funds, and endowment funds.
- E. Create portfolios suitable for specified individuals or endowment fund scenarios.

III. ASSOCIATED PROGRAMS

This course meets degree completion requirements for the following program: Finance. This course meets the following Finance program outcomes:

- A. Christian Worldview (FIN 1): Apply and identify appropriate business behaviors for Christian business practitioners through the integration of Christian worldview and professionalism.
- B. Business Knowledge and Application (FIN 2): Apply business theories and concepts of the core functional areas of business (accounting, marketing, management, finance, and economics) in an integrated manner.
- C. Oral Communication (FIN 3): Apply and use effective oral communication skills in the context of business through formal or informal oral presentation and/or other business-related projects requiring oral communication.
- D. Teamwork and Collaboration (FIN 4): Apply and demonstrate an ability to collaborate as part of a team in order to solve business problems or achieve a common goal.
- E. Written Communication (FIN 5): Apply and use effective written communication skills in the context of business through formal or informal reports, papers, or other written business-related projects.
- F. Quantitative Calculations (FIN 6): Demonstration of quantitative calculations

IV. UNIVERSITY OUTCOMES

This course aligns with the following University Outcomes as indicated on the last page:

- A. Spiritual Integrity
- B. Personal Resilience
- C. Intellectual Pursuit
- D. Global Engagement
- E. Bold Vision

V. TEXTBOOKS AND OTHER LEARNING RESOURCES

A. Required Text

Cengage Unlimited Subscription—including access to all online Cengage resources
This includes access to the Investment Analysis and Portfolio Management, 11th edition
ebook and other Cengage resources. ISBN: Unknown

OR

Reilly, Frank K., Keith C. Brown, and Sanford J. Leeds, Investment Analysis and Portfolio Management, 11th edition, Cengage Learning, 2019. ISBN: 9780357048160

AND

Bernstein, William, The Intelligent Asset Allocator: How to Build Your Portfolio to Maximize Returns and Minimize Risk, McGraw-Hill, 2000. ISBN: 9780071362368

AND

Swenson, David S., Pioneering Portfolio Management: An Unconventional Approach to Institutional Investment, Free Press, 2009. ISBN: 9781416544692

Regular evaluation of publications and websites such as the Wall Street Journal, The Economist, Barron's, and others is strongly recommended.

B. Other Required Materials

1. **Texas Instruments TI-83 plus (preferred)** or BAI Plus Financial Calculator
2. The instructor will use and instruct from the TI-83 plus. If the student uses something else, the instructor will attempt to help the student outside of class, but the instructor will not interrupt the flow of class for other calculators.

VI. POLICIES AND PROCEDURES

A. Department Policies and Procedures

1. Attendance Policy

- a. Attendance is mandatory and is taken at the beginning of class. All students who miss class including those who are administratively excused are expected to obtain class notes and materials and to turn in assignments within a reasonable time period determined by the professor. In business, employees are allowed personal days or sick leave to be absent from the job without penalty. Similarly, students may miss class up to the number of times per week a class meets without penalty (see table below). This allowance is for illness, personal business, and/or emergencies. The professor has the discretion to excuse any absence beyond those described above.
- b. If a student has excessive *unexcused* absences, a penalty will be assessed as follows:

Number of days the class meets per week	Number of absences <u>not</u> resulting in a penalty	For <u>each additional day</u> the student incurs an unexcused absence beginning with absence number:	The student's total number of points will be reduced by*:
3	3	4	2%
2	2	3	3%
1	1	2	7%

*Based on a 15 week semester and the number of days per week the class meets.

- c. Whether excused or unexcused, excessive absences may negatively impact the student's performance/grade and may cause the student to fail the course.
 - d. The professor has the prerogative to assign bonus points (if any) for perfect attendance.
2. Tardies
- a. Tardy is defined as missing *any* portion of class.
 - b. Being consistently tardy to class is disruptive to the class and disrespectful to the professor and to fellow class members. This type of behavior is unacceptable in business. Thus, three unexcused tardies will be equal to one unexcused absence.
 - c. Depending on the amount of the class missed, makeup work may be required or a student may be marked absent for that class.
 - d. To not be counted absent altogether, the student is responsible to inform the professor that he/she was tardy immediately following that class.

B. Course Policies and Procedures

1. Evaluation Procedures

a. Assignments and graded coursework for undergraduate credit	
MEASUREMENT	Percentage
Chapter Quizzes	5%
Personal Portfolio Simulation	5%
Retirement Savings Option Analysis	5%
Investment Fund Simulation	30%
Portfolio Creation: Individual	10%
Portfolio Creation: Endowment	10%
Examination One	10%
Examination Two	10%
Comprehensive Final	<u>15%</u>
TOTAL	<u>100%</u>

Late work will not be accepted unless the instructor deems the circumstances to be particularly meritorious and extraordinary. **The instructor reserves the right to alter the weighting, content, or composition of the graded coursework presented in the above table at any time.** Therefore, the above table should be viewed as an approximation presented for guidance, not as a certainty. **Course assignments and grade weights will likely differ for students taking the course for graduate credit.** Trends in the grades earned by individuals throughout the course may also be taken into consideration when individual final grades are reported. Consistency and improvement throughout the semester are preferred.

Important Note: It is assumed by the instructor that each student will devote approximately 2.0 to 3.0 hours of preparation (reading, studying and problem solving) before attending each class. If you are not spending the requisite time in preparation for the class you will be overwhelmed by the material.

- b. Grades are likely to be assigned on the following basis:
 - A = 90% - 100%
 - B = 80% - 89.999%
 - C = 70% - 79.999%
 - D = 60% - 69.999%
 - F = <60%

The instructor reserves the right to adjust the above scale as necessary to better reflect the attainment of the desired learning objectives. Such adjustments may also be performed on an individual basis at the discretion of the instructor.

c. Additional grading policies

Students should consider that each sixty minute class period is costing them, someone they love, or taxpayers a cumulative amount of approximately \$104. For classes offered on Tuesdays and Thursdays, the cost of a missed class is approximately \$156. Missed classes therefore carry a very high opportunity cost. Furthermore, being five minutes late for class wastes over \$8 paid for that class time. As a result, students are expected to view promptness and professional deportment as integral portions of this course.

2. English proficiency and organization of assignments

All formal written assignments submitted for grading are expected to conform to proper grammatical and spelling standards. Students should be aware that automated spelling checkers in word processing software are not foolproof. There is no substitute for personally proof-reading a document for errors. In addition, students should be aware that automated checkers do not always suggest the correct grammatical format.

Since all students at Oral Roberts University are considered to be adults, the quality of work will be assessed accordingly. This includes the previously mentioned spelling and grammatical standards, as well as the organization of assignments. Homework assignments may be written by hand, provided that they are legible and neatly organized. Projects must be presented in a clear and concise manner that adheres to the guidelines provided.

3. Missed examinations and other exam policies

Any examination not taken at the scheduled time due to an **excused** absence must be made up at a time arranged with or by the instructor. **Generally, tests missed for an unexcused absence cannot be made up, whether before or after the scheduled exam time.**

All students who anticipate missing an exam will submit **in writing, 24 hours** in advance of the exam, to the department's administrative assistant the student's name and reason for missing the exam. Those students who are ill the day of the exam will notify the department's administrative assistant by phone (X6555) **prior** to the time of the exam. **A doctor's written excuse** will be expected upon the student's return to the classroom. Failure to comply with the above rules forfeits the right of the student to make up the missed exam.

4. Extra credit assignments

The instructor reserves the right to create extra credit assignments for optional completion by students. This does not guarantee that extra credit opportunities will be available.

5. Oral Roberts University athletes

The official athletics of the University may from time to time interfere with the completion of course work by student athletes. Student athletes are expected to provide detailed schedules of their approved athletic absences, along with the necessary documentation, at least one week in advance. All missed coursework must be completed according to the timeline established by the instructor. In order to insure that professional and productive communication between student athletes and the instructor occurs, student athletes are expected to inform the instructor of their student athlete status as soon as possible at the beginning of the semester.

6. Plagiarism and cheating

Neither plagiarism nor cheating will be tolerated. The detection of any plagiarism in a submitted assignment, whether the material was plagiarized from another student, website, online article, book, or any other source, forfeits the right of the student to receive a grade other than zero for that assignment. The detection of any cheating forfeits the right of the student to receive a grade other than zero for the assignment, quiz, or examination involved. In cases of plagiarism or cheating the instructor reserves the right to assign a grade other than zero for the assignment, quiz, or examination should he deem such leniency to be appropriate in light of the amount of plagiarism or cheating involved, and also based upon other potentially mitigating factors that may arise. Furthermore, the instructor reserves the right to assign a **failing final grade for the entire course** to any student who has committed any amount of plagiarism or cheating – regardless of the student’s performance on any other graded coursework.

Cheating and plagiarizing can take various forms, including, but not limited to, studying a stolen copy of an exam (including any representation of an exam a student was not authorized to have, such as pictures, photocopies, digital images, digital representations, handwritten copies of the questions, unauthorized summaries of test questions and/or answers, etc.), copying another student’s answers on a test, copying an assignment completed by another student, claiming another student’s work as your own, inappropriately collaborating, and various other forms of cheating and plagiarizing.

VI. COURSE CALENDAR

MODULE	MATERIAL	PRE-ASSIGNMENT
1	Introduction to Course and Syllabus Review	Read Chapters 1 and 2
2	Overview of Markets and Indexes	Read Chapters 3 and 4
3	Investment Philosophies	Read Chapter 5
4	Introduction to Portfolio Management	Read Chapter 6
5	Asset Pricing and Equity Valuation	Read Chapters 7 and 8
6	Asset Pricing and Equity Valuation	Read Chapters 9 and 10
7	Equity Portfolios	Read Chapter 11
8	Bond Pricing and Bond Valuation	Read Chapter 12
9	Bond Portfolios	Read Chapter 13
10	Derivative Markets	Read Chapter 14
11	Derivative Contracts	Read Chapters 15 and 16
12	Portfolio Management Exercise Module	
13	Portfolio Management Exercise Module	
14	Portfolio Management Exercise Module	
15	Portfolio Management Exercise Module	
16	Final Assignments	
17	FINAL EXAM	Chapters 1-16, lectures, homework, projects, books

Primary Program: All College of Business Programs
FIN 468—Portfolio Management
Spring 2022

This course contributes to the University and program outcomes as indicated below:

Significant Contribution – Addresses the outcome directly and includes targeted assessment.

Moderate Contribution – Addresses the outcome directly or indirectly and includes some assessment.

Minimal Contribution – Addresses the outcome indirectly and includes little or no assessment.

OUTCOMES	Significant Contribution	Moderate Contribution	Minimal Contribution
Spiritual Integrity			
Finance Program Outcome 1			X
Finance Program Outcome 5		X	

Personal Resilience			
Finance Program Outcome 3		X	
Finance Program Outcome 4		X	

Intellectual Pursuit			
Finance Program Outcome 2		X	
Finance Program Outcome 3		X	
Finance Program Outcome 4		X	
Finance Program Outcome 5		X	
Finance Program Outcome 6		X	

Global Engagement			
Finance Program Outcome 3		X	
Finance Program Outcome 4		X	

Bold Vision			
Finance Program Outcome 1			X
Finance Program Outcome 2		X	
Finance Program Outcome 3		X	
Finance Program Outcome 4		X	
Finance Program Outcome 5		X	

(Revised 8/13/21)