

FIN 330  
FALL 1998  
INVESTMENTS

Instructor: Dan Klein  
Office Phone: 372-8963  
Office Hours: 3:00-4:30 P.M. Monday/Wednesday and by appointment  
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Text: Hearth, Douglas and Janis Zaima. Contemporary Investments, 2nd Edition, Fort Worth: The Dryden Press. 1998.

Recommended (but not required):  
Hearth, Douglas and Janis Zaima. Study Guide for Contemporary Investments, 2nd Edition, prepared by Thomajeane Johnsen, Fort Worth: The Dryden Press. 1998.

Prerequisite: STAT 212 and C or better in FIN 300

Course Objectives:

The primary objective of the course is to introduce the student to the investing environment, with the major emphasis on the study and valuation of a company's tradable securities: common stock, bonds, preferred stock, and convertible bonds and preferred stock. The second objective of the course is to introduce the student to derivative securities (options and futures). The third objective of the course is to provide the student with the means to understand the risk/reward possibilities of any investment, and to make an investment decision taking into account his or her desire for risk.

Exams and Paper:

Three (3) exams will be given during the course of the semester. Exams will be a mixture of true/false, multiple choice, and problem/essay questions. The last exam is not comprehensive, although some ideas that are developed early in the semester may be used throughout the course (e.g., risk/reward trade-offs). Exams will be based on instructor lecture material, guest lecture material (if any), text readings, assigned outside readings, and assigned homework problems and questions. In addition to the exams, each student will be required to perform a security analysis of a company's common stock, with a determination of whether the stock is a valuable investment possibility. The specifics for the paper are discussed on a separate page. The grade-weight for each of the gradable components is as follows:

Exams 1, 2 and 3	25% Each
Security Analysis	25%

No make-up exams will be given without my prior approval. If an exam will be missed, the student needs to talk to me prior to the exam to discuss an alternate time. Failure to do so will result in a score of 0 for the missed exam. All exams will be retained by me.

Homework:

Homework will be assigned on a regular basis; however, it will not be collected. Homework problems and questions will be discussed at the conclusion of the coverage of each chapter. Answers to assigned problems and questions from the text are on reserve in the Jerome Library.

Grading:

The final grade will be determined based on the following scale:

90% and above	A
80-89.9%	B
70-79.9%	C
60-69.9%	D
Below 60%	F

Drop Policy:

The drop policy for this course corresponds to the CBA drop policy.

Wall Street Journal and Barron's:

Daily reading of the Wall Street Journal and weekly reading of Barron's is not required; however, it is highly recommended as class discussions may, from time to time, center on articles or other information presented in these publications.

Course Outline:

The Chapters to be covered in the Hearth and Zaima text, and the approximate time that they will be covered in the semester, are as follows:

Week 1	Chapter 1
Week 2	Chapters 1 and 2
Week 3	Chapters 2 and 3
Week 4	Chapter 3
Week 5	Chapters 4 and 5
Week 6	<b><u>EXAM #1, OCTOBER 7</u></b> ; Chapter 9
Week 7	Chapters 9 and 10
Week 8	Chapters 11 and 8
Week 9	Chapter 8
Week 10	Chapters 8 and 6, <b>ROUGH DRAFT OF ECONOMIC ANALYSIS DUE, 10/30</b>
Week 10	Chapters 7 and 12
Week 11	Chapter 12; No Class, November 11 (Veteran=s Day)
Week 12	<b><u>EXAM#2, NOVEMBER 16</u></b> ; Chapter 13
Week 13	Chapters 13 and 16
Week 14	<b><u>PAPER DUE DECEMBER 1, NOON</u></b> ; Chapters 16 and 18
Week 15	Chapters 18 and 20

The time and place for the Final Exam will be announced in class.

In the event of extreme weather (tornadoes, blizzards, ice storms, major floods, hurricanes) or other major events (earthquakes, invasion of body snatchers, swarms of locusts, eruption of Mt. Bowling Green, the Spice Girls come to town), and as determined by the University to be extreme such that the University is closed, exams are automatically rescheduled for the next class meeting.