

Investments, 2015
Professor Niso Abuaf nabuaf@pace.edu

Housekeeping: Investment Analysis Fin 652 100 CRN 23185

Class time: **Thursdays 9 am – 12 pm; One Pace Plaza W404**

Office: W409, phone: (212) 618-6414

Office Hours: Office Hours: Announced in class, posted on office door, before and after class.
Also, by email anytime.

General Responsibilities

It is your responsibility to read, understand and abide by all of the course information and policies listed below. Failure to do so may result in your failing this course or being withdrawn from the course by your professor.

You are responsible for knowledge of any administrative announcement (test information, schedule changes, etc.) that are made at any time during scheduled class periods.

It is your responsibility to check the appropriate sources to establish the last day to withdraw. Note that a “W” is not automatic. Please check with the Department regarding policies pertaining to a “W,” or “WF.”

Course Description and Philosophy

1. To emphasize the pragmatic applications of theory. Dr. Abuaf, a former Chicago academic with close to 30 years of Wall Street experience will share his experiences with a wide array of his clients, and will encourage students to comment.
2. To emphasize action learning and cross learning from classmates, we will use case studies, and group projects in addition to lectures.
3. To familiarize students with macroeconomics, financial economics, the interaction of macroeconomics and financial markets, investment, behavioral finance and risk management concepts. Develop a clear understanding of modern portfolio theory and the functioning of fixed-income, equity, derivatives and alternative (hedge funds, private equity, etc) investment markets.
4. To analyze and discuss current macroeconomic and finance trends using sound economic and finance theories.
5. To help students synthesize the theory, the empirical evidence, market color and various other constraints in making pragmatic financial and investment management recommendations.
6. **To have fun** by discussing cases, news articles and events.

Course Requirements

1. **Blackboard.** All course announcements and related materials will be posted on the class website on **Blackboard**: <http://blackboard.pace.edu>. Students are required to periodically check the class announcements and course documents on **the Blackboard**.
2. **Textbook.** The textbook for the course is: Zvi Bodie, Alex Kane, Alan J. Marcus, **Essentials of Investments** (with Connect One), Ninth Edition, McGraw-Hill. **ISBN 978-0-07-803469-5**. Please note that ConnectOne is a requirement for the course. Homeworks and exams will be administered through **ConnectOne**.

3. Attendance and Class Participation. Regular attendance is an important requirement for successful performance in this course and is **mandatory. I maintain the right to significantly downgrade and even fail you if your absence exceeds 15% of total class time. This statement supersedes the class participation percentage listed below.** You are responsible for knowing what occurs in class which may include material not covered in the readings, modifications to the syllabus and announcements concerning exams, homeworks and quizzes. You will also be expected to actively participate in classroom discussion and answer questions that are posed to you.

4. Current Events. Follow the current financial and economic events in the media. Get engaged with what is going on in the political, economic, and financial world around you. Try to read the Wall Street Journal, the New York Times, the Financial Times, Business Week, the Economist, Barron's, and other financial and economic publications. Try to watch Bloomberg TV, or CNBC. Try to listen to Bloomberg radio. Bring your observations and thoughts to class, discuss them with your class mates and your professor.

5. Bloomberg Essentials Training. In today's market place employers require that job applicants have a modicum of Bloomberg proficiency. As such, the department has decided that students need to complete Bloomberg Essentials Training. So, 5% of your course grade will depend on you submitting evidence that you have done this training. You will find the following info helpful:

"The Bloomberg Essentials training is done through the Bloomberg terminals located either in room W404 or in the library. Go to a terminal and open Bloomberg. Then, create a username and password using your pace email account. Then, log into Bloomberg. Then, search for "Bloomberg Essentials." You will get to a screen in Bloomberg that details how to complete the training."

Richard Ottoo, in his role of Director of Professional Certifications in Finance, is available to students as a resource should they have any difficulties or questions in relation to Bloomberg Essentials training.

Grades and Grading

Homeworks.....	25%
Midterm	30%
Final Exam.....	30%
Class Participation	10%
Bloomberg Essentials Training.....	5%

Grading will follow **Lubin** guidelines. Please do not ask the professor for your grade. You will receive your grade through the regular channels.

Honor Code

You are responsible for maintaining Pace University's code of conduct which mandates

zero tolerance for cheating and plagiarism. Violations of the code of conduct will be prosecuted with a minimum penalty of failure for the course, as required by code of conduct rules.

Reasonable Accommodations for Students with Disabilities

The University's commitment to equal educational opportunities for students with disabilities includes providing reasonable accommodations for the needs of students with disabilities. To request an accommodation for a qualifying disability, a student must self-identify and register with the Coordinator of Disability Services for his or her campus. No one, including faculty, is authorized to evaluate the need and arrange for an accommodation except the Coordinator of Disability Services. Moreover, no one, including faculty, is authorized to contact the Coordinator of Disability Services on behalf of a student. For further information, please see Information for Students with Disabilities on the University's web site.

COURSE OUTLINE (Subject to Change)

The Readings Assignments Will Have an Average Velocity of About One to Two Chapters per Week, with Some Variation Depending on the Difficulty of the Chapters and Other Circumstances

1. Elements of Investments (Chps. 1-4)

1. Investments: Background and Issues
 - a. Macroeconomics and Financial Markets
2. Asset Classes and Financial Instruments
3. Securities Markets
 - a. Arbitrage and Financial Decision Making
4. Mutual Funds and Other Investment Companies

2. Portfolio Theory and Practice (Chps. 5-9)

5. Risk and Return: Past and Prologue
6. Efficient Diversification
7. Capital Asset Pricing and Arbitrage Pricing Theory
8. The Efficient Markets Hypothesis
9. Behavioral Finance and Technical Analysis

3. Debt Securities (Chps. 10-11)

10. Bond Prices and Yields
11. Managing Bond Portfolios

4. Security Analysis (Chps. 12-14)

12. Macroeconomic and Industry Analysis
13. Equity Valuation
14. Financial Statement Analysis

