



# Lincoln University

## BA 444 - International Securities and Foreign Exchange

### COURSE SYLLABUS Fall 2018

**Professor:** Prof. Sergey Aityan, PhD, DSc  
**Lecture Schedule:** Wednesday, 12:30 PM – 3:15 PM  
**Credit:** 4 units (45 lecture hours + 45 hours of research project)  
**Office Hours:** Wednesday, 11:15 AM – 12:15 PM  
Thursday, 11:15 AM – 12:15 PM  
Additional office hours by appointment.  
**e-mail:** [aityan@lincolnuca.edu](mailto:aityan@lincolnuca.edu)  
**☎:** (510) 628-8016

**Textbook:** 1. **Course lecture notes:**  
Sergey Aityan, “International Securities and Foreign Exchange,”  
the online course notes on <http://elearning.lincolnuca.edu>.

2. **Supporting Textbook:**  
Tim Weithers  
“Foreign Exchange: A Practical Guide to the FX Markets”  
Wiley, 2013  
ISBN-10: 0471732036  
ISBN-13: 978-0471732037  
\*\*\* previous editions of this book are okay too \*\*\*

**Last Revision:** August 20, 2018

### CATALOG DESCRIPTION

The course includes an investigation of the foreign exchange market (Forex), foreign securities, international equities markets, international debt securities, futures and options. The course describes the fundamental principles and operations on these markets. A one-unit written research project and its oral presentation are required for the course. (4 units).

### COURSE OBJECTIVES

To introduce students to the basic concept of international currency, securities, and futures markets, foreign exchanges including their specifics and time shifts, trading techniques, market analysis, investment strategies, and risk management to optimize investment and minimize risk.

**COURSE PROJECTS**

- Every student who is enrolled for 4 units must complete, submit, and present the assigned group course project. Students, who are enrolled for 1 unit, may skip this group project.
- Every student must complete an individual assigned course project. The project requires 45 hours of self-study.

**ATTENDANCE**

- Students are expected to attend each class session. If you cannot attend a class due to a valid reason, please notify the instructor prior to the class.
- Students, who are enrolled with 1 unit, may not attend regular classes but complete, submit, and defend an individual course project.

**EXAMS**

Both, midterm and final exams are structured as written essay to answer the given questions. Each exam includes six questions. The essay must be written clearly and easy to read, structurally with clear logical presentation of the answers. Graphs, charts, tables, and other supporting illustrations are required if needed. Examples to illustrate the answers are required.

The exams are neither “open book” nor “open notes.” The final exam is comprehensive, i.e. includes the whole course.

Cheating in exam results in immediate termination of the exam, grade “F” with ZERO points, and report to the dean.

No exams are required for students enrolled in 1-unit course.

**GRADING**

All activities will be graded according to the points as shown below.

Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	F
Points	93-100	90-93	87-89	83-86	80-82	77-79	73-76	70-72	67-69	60-66	0-59

In exams, every answer is graded by points from 0 to 100 and the total points for an exam are calculated as the average of the points received for all answers in the exam. 95 points are given for an excellent but standard answer. To receive points above 95, a student has to show impressive knowledge beyond just normal expectations.

The final grade for the 4-unit course will be given as the total weighted score for all activities according to the percentage shown in the table below.

Activity	Time	Percent
Quizzes, home tasks, and classroom activities	Every week	20%
Group course project		20%
Mid-term exam	In the middle of the course	30%
Final exam	Last week of the course	30%

If both grades for the midterm and final exams are “F” the term grade for the course is “F” regardless of the grades for the project and classroom activities.

The grade for the 1-unit course will be based only the individual course project and no exams.

### NO MAKE-UP WORK

Assignments are to be completed on time during the course. Late assignments will result in a reduced grade. Mid-term and final exams and group presentations cannot be made up if missed unless there is a documented emergency.

### COURSE SCHEDULE

Lectures		Topic	Chapters	
#	Date		Lectures	Textbook
1	22-Aug	(a) About the Course (b) Money and Currency	Ch. 1	--
2	29-Aug	Trading Money	Ch. 2	Ch. 1
3	5-Sep	Markets, Prices, and Marketmaking	Ch. 3	Ch. 2
4	12-Sep	Interest Rates	Ch. 4	Ch. 3
5	19-Sep	Brief History of Foreign Exchange	Ch. 5	Ch. 4
6	26-Sep	Foreign Exchange Spot Market	Ch. 6	Ch. 5
7	3-Oct	Foreign Exchange Arbitrage and Spot Market	Ch. 7	Ch. 5
8	10-Oct	Foreign Exchange Forwards	Ch. 8	Ch. 6
8	17-Oct	Midterm Exam	Ch. 1-8 as in lectures	
10	24-Oct	(a) Foreign Exchange Futures (b) Foreign Exchange Swaps	Ch. 9 Ch. 10	Ch. 7 Ch. 8
11	31-Oct	(a) Foreign Exchange Options (b) Exotic Options and Structured Products	Ch. 11 Ch. 12	Ch. 9 Ch. 10
12	7-Nov	Fundamentals of Technical Analysis	Ch. 13	Ch. 13
13	14-Nov	Cryptocurrency	Ch. 14	
	21-Nov	Thanksgiving Break		
14	28-Nov	Comprehensive Final Exam	Ch. 1-13 as in lectures	
15	5-Dec	Course Project Presentations		

### CHEATING AND PLAGIARISM

Cheating is the actual or attempted practice of fraudulent or deceptive acts for the purpose of improving one's grade or obtaining course credit. Acts of cheating include, but are not limited to, the following:

- plagiarism;
- copying or attempting to copy from others during an examination or on an assignment;
- communicating test information with another person during an examination;
- allowing others to do an assignment or portion of an assignment;
- using a commercial term paper service.

Cheating or plagiarism will result in zero points and letter grade F for an assignment, project, or exam and a report of the incident to the Dean of Students, who may place related documentation in a file. Repeated acts of cheating may result in an F in the course and/or disciplinary action.

**LETTERS OF RECOMMENDATION**

Letters of recommendation will be provided upon request to students, who have completed all course requirements and received grade “A” for the course.

**CENTER FOR TEACHING AND LEARNING**

Assignments and projects require students to actively use resources of the library. A detailed guide to business resources of the library as well as the description of Lincoln University approach to information literacy are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

**OTHER COMMENTS**

- Please participate. What you put into the class will determine what you get out of it – and what others get out of it.
- Please come on time. Late arrivals disturb everyone else.
- If you miss a class, you are responsible for getting notes/slide printouts on the material covered from a classmate or the instructor.
- To avoid distracting noise in class, cellular phones must be turned off or the ringing mode silenced.
- Questions and comments during the class are welcome. Do not hesitate to ask questions – do not leave anything unclear for you.

**COURSE LEARNING OUTCOMES**

	Course LO	Program LO	Institutional LO	Assessment
1	Understand how international financial markets work.	PLO 1	ILO 1b, ILO 2b	Course project, quizzes, midterm/final exam
2	Be familiar with the modern trading approaches	PLO 2	ILO 1b, ILO 2b, ILO 7b	Course project, quizzes, midterm/final exam
3	Demonstrate ability to conduct research required for formulation of sound investment strategy	PLO 3	ILO 1b, ILO 6b	Individual research project
4	Be able to implement a trading strategy in accordance with financial and business objectives	PLO 4	ILO 4b, ILO 5b	Course project, quizzes, midterm/final exam

**MODIFICATION OF THE SYLLABUS**

The instructor reserves the right to modify this syllabus at any time during the semester. Announcements of any changes will be made in a classroom.