



Lincoln University

BA 463 Investment Science

COURSE SYLLABUS

Fall 2014

Lecture Schedule: Thursday, 3:30 PM – 6:15 PM
Credit: 4 units (45 lecture hours + 45 hours of research project)
Instructor: Prof. Sergey Aityan
Office Hours: Thursday, 11:15 AM – 12:15 PM
Saturday, 11:15 AM – 12:15 PM
Students are advised to schedule appointments by signing their names on the appointment list which is located on the information board next to the professor's office that will ensure exact appointment time without waiting.
e-mail: aityan@lincolnuca.edu
☎: (510) 628-8016

Textbook: **1. Main Textbook:**
Frank K. Reilly and Keith C. Brown, (2011).
Investment Analysis and Portfolio Management, 10th Edition,
South-Western College Pub, 1080 p.
ISBN-10: 0538482389
ISBN-13: 978-0538482387
*** previous editions of this book are okay too ***

Last Revision: September 17, 2014

CATALOG DESCRIPTION

The course introduces students to the basic tools used by investment professionals. It deals with different kinds of securities, their pricing, and methods to optimize a choice of an investment portfolio. A one-unit written research project and its oral presentation is a required part of the course. (4 units) Prerequisite: BA 241 or BA 360

COURSE OBJECTIVES

To introduce students to major principles of investment and asset allocation particularly in securities markets. Students will learn how to identify and select the most optimal investment, do industry and company valuation, identify expected return, and manage risk.

PROCEDURES AND METHODOLOGY

Lecture method is used in combination with a supervised exercises and business case study. The emphasis will be on learning by doing. Every student must participate in an intensive classroom activity, must complete home tasks and course projects, and take quizzes and exams.

COURSE PROJECT

Every student must complete and submit a course project.

REQUIREMENTS

All students are required to attend classes. Continuous assessment is emphasized. Written or oral quizzes will be given every week. Reading, writing, home tasks, and “business case study” assignments will be made throughout the course. Students must complete all assignments and take all quizzes, mid-term exam and final exam on the **dates due**. Plagiarism will result in the grade “F” and a report to the administration.

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.

EXAMS

Both, midterm and final exams are structured as written essay to answer the given questions. The essay must be written 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.

Exams will cover all assigned chapters, any additional readings or supplementary materials covered in class. The exams are neither “open book” nor “open notes.”

GRADING AND SCORING

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	94-100	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.

The final grade for the 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%
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.

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	Aug. 28	(a) About the Course (b) The Investment Settings	Ch. 1	Ch. 1
2	Sep. 4	The Asset Allocation Decision	Ch. 2	Ch. 2
3	Sep. 11	Selecting Investment in a Global Market	Ch. 3	Ch. 3
4	Sep. 18	Organization and Functioning of Securities Markets	Ch. 4	Ch. 4
5	Sep. 25	Security Market Indexes	Ch. 5	Ch. 5
6	Oct. 2	Efficient Capital Markets	Ch. 6	Ch. 6
7	Oct. 9	Introduction to Portfolio Management	Ch. 7	Ch. 7
8	Oct. 16	Efficient Frontier and Portfolio Optimization	Ch. 8	Ch. 7
9	Oct. 23	Midterm Exam	Ch. 1-8	Ch. 1-7
10	Oct. 30	An Introduction to Asset Pricing Models	Ch. 9	Ch. 8
11	Nov. 6	Multifactor Models of Risk and Return	Ch. 10	Ch. 9
12	Nov. 13	(a) Analysis of Financial Statements (b) An Introduction to Security Valuation	Ch. 11 Ch. 12	Ch. 10 Ch. 11
13	Nov. 20	(a) Macroanalysis and Microvaluation of the Stock Market (b) Industry and Company Analysis	Ch. 13 Ch. 14	Ch. 12 Ch. 13-14
	Nov. 27	Thanksgiving – No classes		
14	Dec. 4	Course Project Presentations		
15	Dec. 11	Comprehensive Final Exam	Ch. 1-14	

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.

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.