

BUS-343 – Introduction to Investments

Spring 2006

Time: W, 05:30 - 07:30 pm

Room: 303 Cowan Building

Office Hours: M, W 04:00 - 05:30 pm

T-Th 02:45 - 05:30 pm

and by appointment.

Instructor: Dr. Alexander G Kondeas

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Office: 206 Odell Building

Phone: 272-7102, ext.352

Text: Strong, R. A.: Practical Investment Management, 3rd edition, Thomson South-Western, 2004.

Financial calculator: HP10B, or HP10BII [Although instruction is provided in class, students are responsible for learning how to use the calculator effectively].

Course Description: This course is the first of a two-course sequence providing students with a background on principles of investments. Topics to be covered include: Risk and return, cash flow analysis, stock valuation, fundamental analysis, technical analysis, market mechanics, market efficiency, and portfolio theory. In addition, the course provides the students with the opportunity to get some real world experience selecting and trading securities online, with real data, through the Stock-Trak Portfolio Simulations.

Prerequisites: BUS 346 Recommended

Tentative Course Outline:

Chapters 1, 2, 3, 5, 6, 7, 8 Exam-1 (40% of grade), around March 1.

Chapters 9, 10, 11, 13, 16 Exam-2 (40% of grade), around April 25-May 2.

Stock-Trak Investment Simulation (20% of grade). To earn the maximum points, students need to execute a minimum of 3 trades per week, and submit typed reports about the weekly trading activities at the beginning of each class. No late or emailed reports will be accepted.

Class Policies: a) Students are expected to bring their calculator at every class session

b) Students are expected to attend every class, and take exams at the set dates.

c) Students who miss an exam must provide a written verification of the College or instructor approved excuse, and must take the make-up exam within a week from the day of the missed exam.

STOCK-TRAK INVESTMENT SIMULATION

Whether you are training to manage your own personal finances, or to be a billion dollar portfolio manager, this simulation will give you some real-world experience trading stocks, bonds, mutual funds, and more.

As an incentive to do well on this investment simulation, and try to outperform your classmates, each week the best performing students in the following categories will be receiving 3 points towards the next exam:

Category #1: Overall portfolio value (long term investment management).

Category #2: Most improved portfolio (short term investment management).

So whether you're behaving like a day trader or a conservative trust manager you can earn bonus points during the semester.

In addition to these bonus points, each student that happens to be lucky enough to have a portfolio value greater than the professor's portfolio value at the end of the semester will receive 10 bonus points for the final exam.

The beginning and ending dates of the trading period, will be January 23 to April 14.

The initial cash balance for each student is specified at \$100,000.

Each student is required to execute a minimum of 3 trades per week (excluding the spring break week). A trade is defined as either a purchase or a sell order, of a different security.

The maximum number of trades available to each student for the entire trading period is 200. Therefore try to use them wisely, and make them last throughout the semester. If you run out of trades you will not meet the 3-trade minimum requirement per week, and that will affect your grade on the Stocktrak simulation.

Please review carefully the rules of the investment simulation at www.stocktrak.com