

**STATE UNIVERSITY OF NEW YORK
COLLEGE OF TECHNOLOGY
CANTON, NEW YORK**



COURSE OUTLINE

FSMA 220 – INTRODUCTION TO INVESTMENTS

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**SCHOOL OF BUSINESS AND LIBERAL ARTS
BUSINESS DEPARTMENT
MARCH 2016**

A. **TITLE:** Introduction to Investments

B. **COURSE NUMBER:** FSMA 220

C. **CREDIT HOURS:** 3

D. **WRITING INTENSIVE COURSE:** No

E. **COURSE LENGTH:** 15 weeks

F. **SEMESTER(S) OFFERED:** Spring

G. **HOURS OF LECTURE, LABORATORY, RECITATION, TUTORIAL, ACTIVITY:**
3 lecture hours per week

H. **CATALOG DESCRIPTION:**

This course offers an introduction to investments including investment analysis, portfolio management, and capital markets. The course examines the basic concepts and principles of investing, investment policies, types of securities, factors that influence pricing changes, timing purchases/sales, preparing investment programs to meet objectives, investment risk and return, and portfolio balancing. Instruction also includes an overview of the securities markets and their behavior, including sources of information about the various instruments traded and procedure of trades.

I. **PRE-REQUISITES/CO-REQUISITES:**

a. Pre-requisite(s): ACCT 101, ECON 101, and FSMA210; or permission of the instructor.

J. **GOALS:**

By the end of this course, the student will be able to:

<u>Course Objective</u>	<u>Institutional SLO</u>
a. Describe how and where investment alternatives trade	1. Communication 2. Crit. Thinking 3. Prof. Competence
b. Outline how to allocate capital among alternatives to arrive at a balance between risk and return appropriate for the circumstances	2. Crit. Thinking 3. Prof. Competence
c. Describe how to value alternative investment s and assess their risk on a stand-alone basis and in portfolios	3. Prof. Competence
d. Discuss investment risk and be able to calculate individual goals and objectives.	2. Crit. Thinking 3. Prof. Competence
e. Apply knowledge in building a diversified investment portfolio for each of life stages.	2. Crit. Thinking

K. **TEXTS:** Bodie, Z., Kane, A., and Marcus, A., (2013). Essentials of Investments, 9e, ISBN: 0078034698, McGraw Hill Higher Education

- L. **REFERENCES:** The Wall Street Journal, The New York Times, plus, various on-line financial analytics, databases, and calculators.
- M. **EQUIPMENT:** Technology enhanced classroom
- N. **GRADING METHOD:** A-F
- O. **MEASUREMENT CRITERIA/METHODS:**
- Exams
 - Quizzes
 - Homeworks
 - Participation
- P. **DETAILED COURSE OUTLINE:**
- I. Elements of Investments
 - A. Investments: Background and Issues
 - B. A Taxonomy of Financial Assets
 - C. The Informational Role of Financial Markets
 - D. The Investment Process
 - II. Asset Classes and Financial Instruments
 - A. The Money Market
 - B. The Bond Market
 - C. Equity Securities
 - D. Mutual Funds and Other Investment Companies
 - III. Portfolio Theory, Risk and Return
 - A. Risk and Return: Past and Prologue
 - B. The Sharpe (Reward-to-Volatility) Measure
 - C. Efficient Diversification
 - D. Diversification and Portfolio Risk
 - IV. Capital Asset Pricing and Arbitrage Pricing Theory
 - A. The Capital Asset Pricing Model
 - B. The CAPM and Index Models
 - C. The CAPM and the Real World
 - D. Beta Relationship
 - V. The Efficient Market Hypothesis
 - A. Random Walks and the Efficient Market Hypothesis
 - B. Implications of the EMH
 - C. Are Markets Efficient?
 - D. Mutual Fund and Analyst Performance
 - VI. Behavioral Finance and Technical Analysis
 - E. The Behavioral Critique
 - F. Limits to Arbitrage and the Law of One Price
 - G. Technical Analysis and Behavioral Finance
- Q. **LABORATORY OUTLINE:** None