

**Belmont University - Finance 4460 – Investment Management  
Spring 2018**

Instructor: Dr. Joe Smolira  
Credit: 3 hours  
Location: MC 414  
Meeting time: 11:00 – 12:15 T – R  
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Home page: <http://coba.belmont.edu/fac/smoliraj>  
Office hours: Tue and Thur: 12:15 – 3:00  
Wed: 3:00 – 6:15  
and by appointment

These are my official office hours, but my door is generally open, even when I am in my office on weekends. I am always willing to help on course-related matters, and finance in general. If you have questions that didn't get answered in class, please stop by my office. You are also welcome to give me a call or email me.

**Course Resources:**

Text and supplementary material:

*Fundamentals of Investments*, Jordan, Miller, and Dolvin, 6<sup>th</sup> edition, 2013, McGraw-Hill/Irwin.

*Fixed Income Analysis*, 3rd edition, Pettit, Barbara, Jerald Pinto, and Wendy Pirie, Wiley, 2015.

Class notes which are available on my webpage.

**Course information:**

Description:

FIN 4460. Investment Management (3). *Prerequisite: FIN 3210.* A study of the application of financial theory and statistical and mathematical models to the valuation of financial assets and derivative financial assets. Based on valuation theory, issues related to the creation and management of portfolios are examined.

Course objective:

Upon completion of the course, the student will have an understanding the risks involved fixed income securities and methods to control these risks. Additionally, the student will have an understanding how derivative assets are priced and used to control risk.

Methods of Instruction:

Learning in this course is derived primarily from class discussion, homework assignments, and examinations. Students will benefit most from class if they have read the assigned material.

Mission Statement of the College of Business Administration:

The mission of the College of Business Administration is to be an innovative learning community that prepares entrepreneurial, ethical and socially responsible future business leaders for the dynamic global economy.

## Student Learning Outcomes of the College of Business Administration:

Students will be able to:

1. Communicate effectively orally and in writing.
2. Demonstrate the ability to effectively collaborate in business contexts.
3. Utilize analytical, quantitative, and technical concepts and methods to identify and propose solutions to business problems.
4. Recognize ethical issues, argue the principles involved, and assess the potential consequences in the process of making socially responsible decisions.
5. Understand global business issues including the diverse legal, economic and cultural environments of business.
6. Recognize and assess the risk and potential benefits of new enterprise.
7. Demonstrate basic understanding of the disciplines included in the business core.

## Course Policies and Procedures:

Learning in this course is derived primarily from class discussion, homework assignments and examinations. Students will benefit most from class if they have read the assigned material and completed the assigned homework problems. Solutions to the homework assignments are available. Unless agreed upon in writing in advance by the instructor make up tests will not be allowed and a zero will be given for the missed work.

There will be two exams and a final exam in the class. Each student will be permitted a financial calculator and a formula sheet which will be handed out during the exam. The formula sheet for each exam is on the class webpage for students to see before the exam. The final exam will be comprehensive.

Belmont University is committed to the idea that regular class attendance is essential to successful scholastic achievement. Absence is excused only in cases of illness or other legitimate cause. Attendance is checked from the first class meeting. Late registrants will have accrued some absences prior to formal registration in the course. In the case of excused absence from class, students have the right and responsibility to make up all class work missed.

## **University Policies:**

### Accommodation of Disabilities:

In compliance with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act, Belmont University will provide reasonable accommodation of all medically documented disabilities. If you have a disability and would like the university to provide reasonable accommodations of the disability during this course, please notify the Office of the Dean of Students located in the Beaman Student Life Center (460-6407) as soon as possible.

### Honor Code:

The Belmont community values personal integrity and academic honesty as the foundation of university life and the cornerstone of a premiere educational experience. Our community believes trust among its members is essential for both scholarship and effective interactions and operations of the University. As members of the Belmont community, students, faculty, staff, and administrators are all responsible for ensuring that their experiences will be free of behaviors, which compromise this value. In order to uphold academic integrity, the University has adopted an Honor System. Students and faculty will work together to establish the optimal conditions for honorable academic work. Following is the Student Honor Pledge that guides academic behavior:

“In affirmation of the Belmont University Honor Pledge, I will not give or receive aid during examinations; I will not give or receive false or impermissible aid in course work, in the preparation of reports, or in any other type of work that is to be used by the instructor as the basis of my grade; I will not engage in any form of academic fraud in the fulfillment of my requirements for graduation whether curricular or co-curricular. Furthermore, I will uphold my responsibility to see to it that others abide by the spirit and letter of this Honor Pledge.”

### Course Evaluations:

Belmont University provides all students with the opportunity to evaluate their courses. Toward the end of each semester, students will be made aware that the online course evaluations are open. Students are expected to participate in course evaluations when they are made available.

### **Grading:**

There will be a total of 300 points available in the class. The breakdown of the points is:

Exam #1	100 points
Exam #2	100 points
Final Exam	<u>100 points</u>
TOTAL	300 points

<u>Grade</u>	<u>Points</u>		
A	279-300	C	219-230
A-	270-278	C-	210-218
B+	261-269	D+	201-209
B	249-260	D	189-200
B-	240-248	D-	181-188
C+	231-239	F	<180

Tentative Class Schedule: (NOTE: The class schedule is subject to change if necessary.)

	<u>Home page title</u>	<u>Chapter</u>	
Jan	9 Option Basics	Chapter 15 –JMD	
	11 Option Basics		
	16 Option Basics	Chapter 16 – JMD	
	18 Black-Scholes-Merton		
	23 Black-Scholes-Merton		
	25 Black-Scholes-Merton		
Feb	30 Binomial Trees	Chapter 16 – JMD	
	1 Binomial Trees		
	6 Binomial Trees	Chapter 9 – JMD Chapter 19 – JMD Chapters 1, 2, and 3 – CFA Chapter 19 – CFA	
	8 <b>Exam #1</b>		
	10 <b>Exam #1</b>		
	15 Money Market Instruments		
	20 Long-Term Fixed Income Basics		
	22 Long-Term Fixed Income Basics		
27 Term Structure of Interest Rates			
Mar	1 Term Structure of Interest Rates	Chapter 10 – JMD, Chapter 4 – CFA	
	6 No Class – Spring Break		
	8 No Class – Spring Break		
	13 Duration and Convexity		
	15 Duration and Convexity		
	20 <b>Exam #2</b>		
	22 <b>Exam #2</b>		
	27 Futures		Chapter 14 – JMD
	29 No class – Easter Break		
	3 Futures		
Apr	5 Futures	Chapter 14 – JMD	
	10 Futures		
	12 Futures		
	17 Swaps		
	19 Exotic Bonds and Derivatives		
	24 Exotic Bonds and Derivatives		
Apr	30 <b>11:00 AM – Final exam</b>		