

Wells College

Stratton 104

Instructor: Professor McCabe

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Aurora Page: <http://aurora.wells.edu/~mmccabe/BUS353.htm>

A broad ranging course covering everything from an introduction to investments to portfolio management. Students will learn about capital markets in general, stocks, bonds, derivatives, mutual funds, and other types of investments. All students will construct and follow a virtual stock portfolio, learning why investment success depends upon both investment and economic variables. The goal of this course is to provide students with the basic knowledge necessary to manage their personal investments, including individual retirement (IRA) and §401(k) accounts.

Textbooks: Guide to Money and Investment, by Virginia B. Morris and Kenneth M. Morris, ISBN 978-0-9764749-9-9 (Lightbulb Press, 2012) [**LP Guide**], The Wall Street Journal Complete Money and Investing Guidebook, by Dave Kansas, ISBN-13: 978-0-307-23699-9, ISBN-10: 0-307-23699-4 (Three Rivers Press, New York) [**WSJ Guide**], and The Psychology of Investing (5th Edition) (Pearson Series in Finance, 2013) by John R. Nofsinger, ISBN-10: 0132994895, ISBN-13: 978-0132994897

| Class Session | Date | Topic & Review of Assigned Problems | Problems & Other Assignments |
|---------------|------------|---|---|
| 1 | 9/2/2013 | Understanding Capital Markets; Market Regulation; Global Capital Markets | Podcast of "The Giant Pool of Money," LP Guide pp. 6-15 before class; LP Guide pp. 16-31 and WSJ Guide Chapter 5 (pp. 106-136) for next week |
| 2 | 9/9/2013 | Money and Markets, The Banking System, The Business Cycle | LP Guide pp. 32-39 and 95-101; WSJ Guide pp. 9-34. |
| 3 | 9/16/2013 | Stocks, Stock Markets, Trading Stocks | LP Guide pp. 40-61; WSJ Guide pp. 34-38 and 46-57. |
| 4 | 9/23/2013 | Stock Indices, Classifying Stocks, Considerations in Types of Investments Take Home Exam Due 9/30 | |
| 5 | 9/30/2013 | Take Home Exam Due; Fundamental & Technical Analysis, Choosing Stocks, Analyzing Companies | LP Guide pp. 66-67; WSJ Guide pp. 66-70. |
| 6 | 10/7/2013 | Reading Corporate Reports, Financial Disclosure, Building and Maintaining a Stock Portfolio | Build a sample \$100,000 portfolio of stocks and cash (buy and hold: share positions in even 100s), maintain on finance software, value as of 10/18 close of business, bring 2 copies to class on 10/21 |
| | 10/14/2013 | FALL BREAK: NO CLASS | |
| 7 | 10/21/2013 | Review of Individual Portfolios, Reading Corporate Reports, Financial Disclosure, Choose Company for Paper | on outline/draft of paper; Print out and bring in copy of portfolio valued as of close of business on 10/25. |
| 8 | 10/28/2013 | Long vs. Short Purchases and Sales, Margin Purchases, Discussion of Portfolios | LP Guide pp. 68-93; WSJ Guide pp. 71-88; Work on outline/draft of paper; bring in portfolio valued as of close of business on 11/1. |
| 9 | 11/4/2013 | Turn in outline/draft of paper ; Bond Basics, Discussion of Portfolios | LP Guide pp. 116-137; WSJ Guide pp. 137-153; bring in portfolio valued as of close of business on 11/8. |
| 10 | 11/11/2013 | Mutual Fund Basics Take Home Exam Due 11/18 | Bring in portfolio valued as of close of business on 11/15. |

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| 11 | 11/18/2013 | Test 2 Due ; Mutual Funds, Indices and Index Funds | LP Guide pp. 102-115 and 158-161; WSJ Guide pp. 138-139 and 173-178; Bring in portfolio valued as of close of business on 11/22. |
| 12 | 11/25/2013 | Mutual Funds, Index Funds, and Futures | LP Guide pp. 162-175 and 138-143; WSJ Guide pp. 178-183; Bring in portfolio valued as of close of business on 11/29. |
| 13 | 12/2/2013 | Paper Due ; Futures and Options | LP Guide pp. 144-157; Bring in portfolio valued as of close of business on 12/6. |
| 14 | 12/9/2013 | Options; Paper Presentations; Discussion of Portfolios;, Final Review | Final exams handed out, due 12/17/13; May be emailed, forwarded by campus mail, mailed, or slid under office door |

Grading & Course Policies

1 Final Course Grade

| | |
|-----------------------|-------------|
| Class participation | 25% |
| 2 Tests | 30% |
| Paper Outline, Draft | 5% |
| Paper | 15% |
| Presentation on Paper | 5% |
| Final Exam | 20% |
| | <u>100%</u> |

Class participation is graded from 0 to 3 as follows:

- 0: Absent from class
 - 1: In class - little or no participation
 - 2: In class - good participation but with limited insight into topic of discussion
 - 3: In class - outstanding contribution to topic discussion
- Two lowest class participation grades are dropped from average for excused and unexcused absences, no grade given for 1st class

Final grade scores (see above) will be converted to final letter grades using grading as explained on page 45 of the 2013-2014 College Catalog.

2 Office Hours

Office hours are by appointment. Please email me to set up a time to meet.

3 Late assignments

Late assignments will be marked down 1 whole letter grade for each day late. Late assignments will not be accepted more than 3 business days late and the grade on them will be a zero.

4 Excel & PowerPoint Use

Homework problems and the group project require use of Excel spreadsheet and PowerPoint presentation software. If you do not know how to use standard business software, contact Molly Brown @ molly.brown@wells.edu, X3354 as soon as possible to arrange to take the Library workshop in Excel.

5 Electronics in the classroom

Cell phones, music players and other devices are to be turned off during class. There is to be no usage, including texting, during the class session. The only exception is the use of laptop computers for note taking and problem solving.

6 Honor Code

Community Honor shall be the basis of student government at Wells College. The principle of Community Honor is based upon the pledge of each member of the student body to be honest and trustworthy in the conduct of her or his collegiate life as it is defined or encompassed by the Collegiate Rules. Wells College students are under community obligation and pledge not to lie, cheat, steal, deceive or conceal in the conduct of their collegiate life as defined or encompassed by the Collegiate Rules. Each student is obligated to report violations of community honor involving herself or himself to a member of the faculty or member of the appropriate judicial body within 24 hours. A member of the student body, member of the faculty, or member of the administration or staff who is a witness to a violation (or an admission of a violation) of community honor has responsibility to urge the offender to report herself or himself. If the offender fails to do so, the obligation falls to the witness.

7 Students with Disabilities

Wells College makes reasonable accommodations for qualified students with documented disabilities. If you have a learning disability, a chronic illness, physical or mental health disability that may have some impact on your work for this class and for which you may need accommodations, please notify the Office of Student Achievement, located in the Learning Commons, Long Library by calling x3432 or emailing studentachievement@wells.edu.

8 Paper

Find a company with an interesting stock price history. Research that company using Journal Articles, library databases (www.wells.edu/library), Yahoo Finance (<http://finance.yahoo.com/>), and the company's website. Give the history of the company's operations from either the Initial Public Offering date or a date of your choosing. Discuss how both the company's prospects and the economic environment affected the company's stock price over time. Explain how the company succeeded or failed, and how the stock price predicted or failed to predict success or failure. If you have the Nofsinger can refer to it and/or use it as a reference to help explain the history of the company's stock price movements. Each paper must have a title page, an introduction/summary of findings, a body, a conclusion, and a list of sources. You must footnote sources for all statements of fact. *I will be checking sources. Remember that your work is covered by the Honor Code*

9 Presentation on Paper

Prepare a Powerpoint presentation to share with the class summarizing the highlights of your paper. You can use graphs, site links, or any other tools at your disposal to make your presentation interesting. There is no specific time limit on your presentation, however, you should be able to fully tell the story detailed in your paper while holding the audience's attention.