

*Course Number:* MGMT 471

*Course Title:* Investment Analysis &  
Management

*Semester & Year:* Fall 2014

*Classroom:* GSM 232

*Meeting Time/Days:* 4-5:15pm/MW

*CRN/Line #:* 49754

*Instructor:* Mary Anne Majadillas

*Office:* ASM 2168

*Phone:* 505-277-6471

*Email:* [maj@unm.edu](mailto:maj@unm.edu)

*Office Hours:* T/R M/W 3-3:45pm, or by  
appointment

**Learning objectives for this course are:**

This course surveys the financial instruments used for investments, and discusses the financial theories and empirical evidence useful for making investment decisions. At the end of the course, you must be able to:

- Demonstrate a working knowledge of the different asset classes and financial instruments and how these are traded in the financial markets
- Demonstrate a working knowledge of the portfolio management process

**Text:**

Bodie, Kane, and Marcus. Essentials of Investments, 9<sup>th</sup> ed.  
Publisher: McGraw-Hill

**Course webpage:**

I will post all course materials on the course webpage: <http://www.unm.edu/~maj/>

**Financial Calculator**

A financial calculator is recommended for this class. It is your responsibility to know how to use your calculator. I use a TI BA II Plus and TI BA II Professional and can show you how to use these. If you decide to use a different calculator and need help, come and see me before the exam and we can try to figure out how to use your calculator. Otherwise, I do not answer questions about the calculator during exams.

**Grading:**

Your grade will be based on the following:

First Exam	25%
Second Exam	25%
Final Exam	25%
Excel exercises	20%
Class participation	5%
Total	100%

- Exams:
  - The exams will consist of multiple choice questions covering material emphasized in class.
  - You are allowed to use a calculator and a cheat sheet during exams. The cheat sheet should be on a single 8" x 11" sheet (you may use both sides). Cheat sheets can be type-written. It is important to make sure that you understand what you put down on your cheat sheet. During exams, I will not help you interpret what you wrote down on your cheat sheet – this includes verifying whether your formulas are correct.
  - You will get a grade of zero if you miss an exam. You need to inform me in advance if you will not be able to take a test as scheduled. Excused absences are limited to documented (in writing) illnesses, university sponsored events and emergencies. If you miss any of the exams you will get an incomplete or an F in the course, depending on the circumstances. The schedule of the tests is as follows:

First Exam	Sept 22
Second Exam	Oct. 27
Final Exam	Dec. 8, 5:30-7:30pm

- Excel exercises: These will typically be assignments that could be problems that you work on or that you have to do in Excel. You are encouraged to collaborate with your classmates on the Excel exercises. Instructions will be given out in detail for each assignment. Assignments will be handed out in class and will not be posted on the class website. There will be no opportunity to make up missed exercises.
- Class participation: I expect you to come to class and to read ahead and be familiar with the material prior to coming to class. You will get the most benefit from the course if you read the chapters before we discuss them in class. Questions and active participation in discussions are highly encouraged since these help reinforce what we think we know from reading and doing the assignments. While I do not check attendance on a regular basis, I may do so occasionally. Frequent absences will impact your grade negatively through (lack of) class participation. If you do have to miss class, it is your responsibility to catch up on what you miss. I suggest asking a classmate what we have gone over on any day that you are absent. Finally, please be courteous and act professionally in class. Arriving late for class, getting up during class, or leaving early is disruptive to others. Thank you in advance for your cooperation.
- I do not give additional work for extra credit.

- Below is the grading scale. While I usually curve exam scores, I do not round off the final numerical grades. For example, if your total points at the end of the semester is 92.99999999%, your grade will be A-.

Total points	Letter grade
97% - 100%	A+
93% - 96.99%	A
90% - 92.99%	A-
87% - 89.99%	B+
83% - 86.99%	B
80% - 82.99%	B-
77% - 79.99%	C+
73% - 76.99%	C
70% - 72.99%	C-
67% - 69.99%	D+
60% - 66.99%	D
0% - 59.99%	F

### **ACADEMIC INTEGRITY**

**Anderson School of Management faculty, staff and students commit to values of trust, honesty, integrity, and accountability. We will not tolerate academic dishonesty. By enrolling in any course at Anderson, the student accepts the Anderson Academic Honesty Code and affirms the following pledge:**

*I will not lie, cheat, fabricate, plagiarize or use any other dishonest means to gain unfair academic advantage.*

Any violation of the code of conduct will be taken very seriously and appropriate sanctions will be applied. FOR FULL TEXT OF ANDERSON’S ACADEMIC HONESTY CODE, please visit <http://www.mgt.unm.edu/honesty>. Please take a moment to read the academic honesty code. I will drop you from the class if you commit any act of academic dishonesty.

### ***ADA Statement***

Reasonable accommodation will be given to any individual with a legitimate disability. Please contact the instructor privately for arrangements. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus. Course materials can be made available in alternative formats.

**Topics Covered**

Following is a tentative list of topics to be covered in class. You will be informed ahead of time if there are any changes.

Introduction	Chapter 1
Asset Classes and Financial Instruments	Chapter 2
Securities Markets	Chapter 3
Mutual Funds and Other Investment Companies	Chapter 4
Risk and Return	Chapter 5
Efficient Diversification	Chapter 6
Capital Asset Pricing and Arbitrage Pricing Theory	Chapter 7
Market Efficiency	Chapter 8
Bond Prices and Yields	Chapter 10
Managing Bond Portfolios	Chapter 11

## **Anderson School of Management Student-Managed Investments Program**

In 2006, the Board of Regents of the University of New Mexico made available \$2 million of the Regents' Endowment Fund to establish an all-equity investment portfolio to be managed by Anderson School of Management students. The portfolio is managed under the supervision of faculty members as part of the students' course work in finance.

The curriculum for the program consists of a 3-course sequence which is offered at both the undergraduate and MBA level. The courses are Investments, Equity Security Analysis, and Applied Investments Management.

The Investments course (BBA 471/MBA 571) provides an introduction to the fundamental theories and practices of investment analysis and management.

The Equity Security Analysis (BBA 472/MBA 572) course covers company valuation and equity analysis. Students serve as the program's equity research analysts. The students are responsible for providing the research valuation reports and recommendations for stock holdings, and they also look for new stocks to recommend.

The Applied Investments Management course (BBA 479/MBA 579) is the final course in the sequence and provides the hands-on management of the Regents' Portfolio. The student "portfolio managers" make recommendations for how to allocate the equity portfolio among sector exchange-traded funds and individual stocks as well as how to allocate and cash. They also are responsible for monitoring, reporting, and risk management as well as the long-term trend positions.

An Investment Advisory Committee (IAC), consisting of 9 investment professionals, acts as the oversight body to the program and approves any purchase and sale recommendations made by the students. The portfolio is managed between semesters by student volunteers with faculty supervision.

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### **Finance Concentration Advisor:**

All of the above courses count for finance concentration credit. If you have any questions about any of the above courses or other finance classes that you need to take, please contact Prof. Leslie Boni at [LBoni01.unm.edu](mailto:LBoni01.unm.edu).