

ECON313-01: FINANCIAL ECONOMICS

St. Lawrence University

Fall 2021

Professor: Amir Tayebi	Time: MW 8:50AM - 10:20AM
Email: atayebi@stlawu.edu	Place: Carnegie Hall, Room 18

Course Description

This course introduces you to investing or constructing a portfolio of assets in order to meet specific financial goals. We will first cover the investment process and fundamental concepts such as the investment environment and investment information. In the second part of the course, we will discuss the important conceptual tools in investment decisions including risk and time value of money. The third and fourth parts of the class will be devoted to topics in investing on common stocks and fixed-income securities, respectively. In the fifth part of the lecture, we will cover important concepts in portfolio management theory. Finally, we will discuss derivative securities such as options and futures.

Throughout the semester, you will develop the skills to solve time value of money problems and to measure risk through the analysis of financial statements. Emphasis will be placed on real world applications, as the knowledge obtained will be helpful beyond the course itself. By the end of this course, you will have developed employability skills such as excel modeling, critical thinking, and data analysis skills. Students' performance in this course will be assessed based on three exams, several homework assignments, an investment project, and an array of in-class quizzes.

Course Pages

Required readings, lecture presentations, homework assignments, and past-due quizzes will be posted on Sakai. I will announce in class when I post new material, but please check the site regularly.

Office Hours

Time: MW 3:00-4:30 pm, and by appointment. **Office:** Hepburn Hall, Room 17. You can book an appointment with me on [Calendly](#). You can also meet me via Zoom if you prefer.

This is a great time to get your questions answered. Feel free to visit to discuss issues and questions related to homework assignments, exams, or lectures.

I check my email regularly and will try to respond quickly to questions. I try to respond within 24 hours.

Prerequisite

ECON 251 and 252.

Please also complete [this](#) survey to provide me with important information about your background, skills, and expectations.

Textbook and Materials

Required Text:

- Smart, S. and Zutter, J. Z. (2020). *Fundamentals of Investing*. Pearson, 14th Edition

Suggested Readings:

- Mayo, H. B. (2021). *Investments: An Introduction*. Cengage Learning, 13th Edition
- Bodie, Z., Kane, A., and Marcus A. J. (2019). *Essentials of investments*. McGraw Hill, 11th Edition

Required Material:

- Financial Calculator

I will mainly cover the textbook by Smart and Zutter. However, I will make use of the other two textbooks as supplemental teaching materials.

Assessment

As mentioned above, students' performance will be assessed based on three exams, several homework assignments, an investment project, and an array of in-class quizzes.

- Midterm Exams (35%):
There will be two midterm examinations, so each exam will be worth 17.5% of your grade. Each exam will be comprised of multiple choice, short answer, and essay questions to test your understanding of the material.
- Final Exam (25%):
The final exam will be comprehensive and similar in format to the midterm exams.
Note: Make-up exams and quizzes will not be given. Students missing an exam will be required to complete a 10-page paper on a topic chosen by the instructor in lieu of a make-up for the missed exam.
- In-class Quizzes (10%):
Students are expected to actively take part in class meetings. You are also expected to bring your laptops to class as quizzes and some in-class activities are done via Sakai.
- Homework Assignments (20%):
There will be several homework assignments, each designed to help you review important topics and practice applying the methods taught in class to specific problems. Each assignment will be posted online at least 1 week prior to its due date. You are encouraged to work in groups on the homework assignments; however, each student is individually responsible for completing and turning in the assigned work. One question, chosen at random, will be graded on each problem set. No late work will be accepted.
- Investment Project (10%):
Starting Chapter 6, we will begin an Investment Project consisting of a stock portfolio management game. On Wednesday, December 1th you must hand in your final report. Projects will be graded 95% on analysis/style and 5% on results. More information to be provided during the semester.

The sum of your exams, homework assignments, investment project, and in-class grades will determine your final grade. The grading scale will be as follows:

Percentage Point	Grade	Percentage Point	Grade
96% to 100%	4.00	74% to 76%	2.25
91% to 95%	3.75	71% to 73%	2.00
88% to 90%	3.50	68% to 70%	1.75
85% to 87%	3.25	66% to 67%	1.50
83% to 84%	3.00	63% to 65%	1.25
80% to 82%	2.75	57% to 62%	1.00
77% to 79%	2.50	≤56%	0

I reserve the right to adjust this schedule of grade equivalents in the student's favor.

Important Dates:

First Midterm Exam Wednesday, September 29, 8:50-10:20 am
Second Midterm Exam Wednesday, November 3, 8:50-10:20 am
Final Exam Wednesday, December 15, 1:30-4:30 pm

Technology policy

All students are expected to bring a device that can access the internet to class. It should also have excel installed on it. As mentioned above, there are a number of in-class activities for which you need to have a laptop. You should not use your devices for personal purposes or web browsing. Please also do not make video or audio recordings of my lectures without my permission.

Some Tips:

In what follows, I share some tips on how to succeed in this course:

- My goal is to make a classroom where everyone feels welcomed, included, and capable of learning and succeeding. If there is anything I need to know in order to facilitate a positive and productive learning experience for you, please let me know.
- Participate in classes. In the lectures, the main concepts are introduced. The application of those concepts are also presented using a wide range of in-class activities and examples. You also get to see how new concepts are related to what we have already covered. This is the most effective way of learning new concepts and their applications. Also, you should keep in mind that 10% of your final grade is based on the result of your in-class quizzes.
- Please read the textbook. It is an innovative textbook. Your textbook clearly explains the concepts while offering numerous examples, challenging problems, and real-world applications.
- If you have any concerns or questions about the lectures or the assignments, please contact me. I have fixed office hours, and I am also available upon your request.

Some Notes:

- Academic Honesty:

Students are responsible for the honest completion and representation of their work. Academic misconduct, including cheating and plagiarism, will not be tolerated. Details about the student Academic Honor Code can be found at <https://www.stlawu.edu/offices/academic-affairs/academic-honor-policy>.

- The WORD Studio:

The WORD Studio offers both online and face-to face tutorials for your papers, speeches, posters, and reading assignments. We want to make you the best writer and speaker you can be at SLU. Our tutors are thoroughly trained and friendly peers who can:

- Help you understand an assignment
- Help you build an argument or structure in papers and oral presentations
- Help you expand your vocab and work on sentence structure
- Work with you on a powerpoint or poster
- Refine your reading skills
- Help you learn to avoid plagiarism through proper citation

The WORD Studio offers ESL and science writing specialists, but all of our tutors are trained to assist with any communication assignment. The WORD Studio is open until 9pm Sunday-Thursday, and until 2pm on Fridays, but appointments are required (no walk-ins). Schedule a tutorial by going to the WORD Studio website. If you have any questions about our services, please email us at wordstudio@stlawu.edu.

- Student Accessibility Services:

If you have a specific learning profile, medical and or mental health condition and need accommodations, please be sure to contact the Student Accessibility Services Office right away so they can help you get the accommodations you require. If you need to use any accommodations in this class, please meet with your instructor early and provide them with your Individualized Educational Accommodation Plan (IEAP) letter so you can have the best possible experience this semester.

Although not required, your instructor would like to know of any accommodations that are needed at least 10 days before a quiz or test. Please be proactive and set up an appointment to meet with someone from the Student Accessibility Services Office.

- Color Vision Deficiency:

If you are color vision deficient, the Student Accessibility Services office has on loan glasses for students who are color vision deficient. Please contact the office to make an appointment.

For more specific information about setting up an appointment with Student Accessibility Services please see the options listed below:

Telephone: 315.229.5537

Email: studentaccessibility@stlawu.edu

For further information about Student Accessibility Services, you can check the website at:

<https://www.stlawu.edu/student-accessibility-services>

- A List of Wellness and Safety Resources:

- Dean of Student Life (Hagi Bradley, bradley@stlawu.edu, 233 SC, x5849)
- Counseling Services (counselingservices@stlawu.edu, 76 Park Street, x5392) 24/7 Counseling Hotline (x1914)
- Chaplain's Office (Rev. Shaun Whitehead, swhitehead@stlawu.edu, Gunnison Memorial Chapel, x5062)
- Office for Diversity Inclusion (Kimberly Flint-Hamilton, kflint@stlawu.edu, 333 SC, x1881)
- International Student Services (Tsewang Lama, tlama@stlawu.edu, 236 SC, x5552)
- Safety Security Office (76 Park Street, security@stlawu.edu, x5555)

Disclaimer:

I reserve the right to make changes to this syllabus during the semester. If campus policies regarding the COVID-19 pandemic change, the syllabus of the course will also change accordingly. Any changes will be announced in class.

Tentative Topics and Readings:

Topic	Main Reading
Preparing to Invest	
The Investment Environment	SZ Ch. 1
Securities Markets and Transactions	SZ Ch. 2
Investment Information and Securities Transactions	SZ Ch. 3
Important Conceptual Tools	
Return and Risk	SZ Ch. 4
The Time Value of Money	SZ Ch. 4
Modern Portfolio Concepts	SZ Ch. 5
Investing in Common Stocks	
Common Stocks	SZ Ch. 6
Analyzing Common Stocks	SZ Ch. 7
Stock Valuation	SZ Ch. 8
Market Efficiency and Behavioral Finance	SZ Ch. 9
Investing in Fixed-Income Securities	
Fixed-Income Securities	SZ Ch. 10
Bond Valuation	SZ Ch. 11
Portfolio Management	
Mutual Funds and Exchange-Traded Funds	SZ Ch. 12
Managing Your Own Portfolio	SZ Ch. 13
Derivative Securities	
Options: Puts and Calls	SZ Ch. 14
Futures Markets and Securities	SZ Ch. 15
Film Review	
Book Reviews	
