

**THE COLLEGE OF NEW JERSEY  
SCHOOL OF BUSINESS**

**FIN310 Introduction to Investments  
and Financial Analysis**  
**Professor Clare Hamilton Bohnett**  
**Spring 2011**

<b>Office:</b>	<b>Business Building 319</b>
<b>Office Phone:</b>	<b>(609) 771-2033</b>
<b>E-mail:</b>	<b>bohnnett@tcnj.edu</b>
<b>Office Hours:</b>	<b>By Appointment</b>

**Prerequisite:** FIN 201 Fundamental Financial Methods

**Text:** Mayo, Herbert B. Investments An Introduction, 9<sup>th</sup> ed.

**Course Description:** Introduction to Investments and Financial Analysis is a basic course in portfolio selection with emphasis placed on financial assets: especially common stock, derivative securities such as options, and mutual funds.

The course assumes that the student has had virtually no experience with security selection and the valuation. In addition, the basics of security transactions, investment banking, and the mechanics of trading are covered. This first section will also consider the measurement of risk and its reduction through the construction of diversified portfolios and taxation as it applies to investments. It is assumed that the student can do time value of money problems.

The second section covers investing in common stock and includes aggregate measures of security prices, valuation of common stock, and estimation of future dividends.

The next section will be an introduction to fixed income securities including both corporate and government bonds and hybrid securities.

The fourth section of the course will be devoted to an introduction to the options market.

**Course Requirements:** In addition to the tests described below, the course requires class participation and the preparation of assigned problems for class discussion and class presentation. Students will not be graded on the homework problems, but such preparation should increase the quality of class participation and performance on tests.

**Grading:** Final grades will depend on the two tests and a comprehensive final exam. Each will be equally weighted. Class participation will be considered in the case of borderline grades. Tentative test dates are February 18 and April 1. The tests will include short essay questions, problems, and objective questions. They will be thorough and long. A doctor's note is required in the event of a missed test. The final exam will be given during exam week.

**Attendance:** Class attendance is very important. Roll will be taken everyday. Half a grade will be deducted at 3 cuts and a full grade at 6 cuts.

**Computer Usage:** The computer lab has programs designed to perform many financial problems. Software accompanies the text. You may use it to reduce the tediousness of the calculations, especially problems with reiterative parts. However, the use of the computer on tests is obviously impossible. Hence, students must be able to perform the calculations manually to answer problems on the exams.

## **CHAPTERS**

1	An Introduction to Investments
2	The Creation of Financial Assets
3	Security Markets
5	The Time Value of Money
6	The Tax Environment
7	Risk and Portfolio Theory
8	Investment Companies
9	The Valuation of Common Stock
10	Rates of Return on Common Stock
11	Dividends: Past, Present, and Future
15	Bond Market
16	The Valuation of Fixed Income Securities
17	Government Securities
18	Convertible Bonds and Convertible Preferred Stock
19	An Introduction to Options