FINA 4200: Investments

Instructor Information

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Office Hours: Tuesday 12:30PM until 2:00 PM

Communication Expectations

I am almost always available by email and expect that if you have questions, concerns, or related topics you will reach out to me via email. I want to be clear that phone messages are unlikely to be received and messages sent over canvas are unlikely to be read expeditiously. However, without fail I check my email several times a day during normal business hours.

Course Description, Objectives, and Goals

Financial markets are big, messy, and full of opportunities, that is if you know where to look. This class is about giving you the tools, mindset, and knowledge needed to navigate them like a seasoned investor who knows the game.

We'll start with the fundamentals: asset classes, risk, and portfolio basics. Then we'll start digging into advanced topics like forecasting models, factor investing, and behavioral economics.

The core challenge we'll take on is trying to answer a seemingly simple question: can investment returns actually be predicted? You'll see the arguments going both directions as well as the traps of behavioral bias and how trading costs, risk constraints, and other real-world frictions can destroy what looks like a great idea on paper.

By the end of the semester, you'll be able to:

- Spot the difference between luck and skill in financial markets
- Build a portfolio that makes sense for your investment goals
- Approach market predictions with a healthy mix of curiosity and skepticism

This class isn't about memorizing facts, it's about learning how to think like a top tier investor in a world where finding answers isn't always easy.

Course Schedule

This course meets twice per week for lecture. During these lectures we will be covering a substantial amount of material in a relatively short period of time. The course outline below should be viewed as the general framework within which we will work. It is likely that we may not fully get through all of the material below and consequently, the following schedule will be adjusted as needed.

Material to be covered:

Chapter 1: The Investment Environment

Chapter 2: Asset Classes and Financial Investments

Chapter 3: How Securities are Traded

Chapter 4: Mutual Funds and Other Investment Companies

Chapter 5: Learning about Return and Risk from the Historical Record

Chapter 6: Risk Aversion and Capital Allocation to Risky Assets

Chapter 7: Optimal Risky Portfolios

Chapter 9: The Capital Asset Pricing Model

Chapter 10: Arbitrage Pricing Theory and Multifactor Models of Risk and Return

Chapter 11: The Efficient Market Hypothesis

Chapter 12: Behavioral Finance

In general we will follow the book's topic ordering with only minor variation; we will skip chapter 8, and may find it useful to combine chapters 11 and 12 into the same chapter. Towards the end of the semester if we have time we may cover either (or both) fundamental analysis and portfolio management or personal finance and investing for retirement.

This course will meet in person every week. Each sub-module will consume approximately one week of the course.

Accessing Class Materials

All materials for the course located on Canvas (unt.instructure.com/login/canvas). You will need your EUID to login and will find them located within the course tab located on the left hand portion of the screen. For additional help with canvas contact clearhelp@unt.edu or call (940)565-2324.

Eagle Connect Account

Students' access point for business and academic services at UNT is located at: my.unt.edu. All official communication from the University will be delivered to a student's Eagle Connect account. For more information, please visit the website that explains Eagle Connect and how to forward e-mail Eagle Connect (https://it.unt.edu/eagleconnect).

Course Materials & Class Preparation

The **required material** for this course is:

1. *Investments, Thirteenth Edition,* by Bodie, Kane, and Marcus, Irwin McGraw-Hill, 2023. IBSN: 978-1264412662

Textbook FAQs:

Question: Do I need the textbook?

Answer: **Yes.** The course is structured under the assumption that students have the textbook and are actively reading chapters from it during the semester. I additionally provide practice problems for each chapter to aid students in studying for exams. Not having the textbook will put students at a large disadvantage relative to their peers.

Question: Do I have to buy/rent this exact edition?

Answer: **Yes.** though students may choose to purchase older version of the textbook. This is not without it's own risks. Different versions may contain different chapters, examples, case studies, practice problems etc. and as such it will be the student's responsibility to reconcile these differences. I do not provide any mappings across textbook versions.

Question: Can I use an international edition?

Answer: As with the prior question though it is ultimately your choice. It will be up to you to reconcile any differences between that version and the version I am using. Again, I do not provide any mappings across textbook versions.

Grading & Assignments

Grades for this course will be determined as follows

Assignment	*Percentage of Final Grade*
Midterm #1	*20%*
Midterm #2	*25%*
Midterm #3	*25%*
Class Participation	*10%*
Reading Assignment	*20%*
Total Points Possible	*100%*

<u>*Midterm Exams*</u>

Midterm exams are a chance for students to demonstrate their mastery of the subject matter being discussed. These examinations are not inherently designed cumulative and are multiple choice exams. Students will have the full period of class to complete them. As such students coming late will naturally be at a disadvantage to those who have arrived early. No extra time is granted under any circumstance.

Tentative Midterm Dates:

09/11/2025, 10/23/2025, and 12/4/2025 are the *tentative* midterm dates but are subject to change based on our progress through the course.

Class Participation

A large part of life is simply showing up. A sizeable part of your grade in this course will also be determined simply by showing up. During the semester each student should assume that they will be called upon, **at random**, at least twice. The dates are selected by an algorithm and thus truly randomly assigned. When called upon students simply need to **be present** to earn class participation points that day.

Additionally, during class I regularly discuss examples that are eerily similar to questions on midterm exams. Some students find it useful to have seen these worked through prior to encountering them in the wild (i.e., on the exam).

Reading Assignment

Across your personal and professional lives I am willing to bet you will find that the ability to teach yourself is the single most beneficial skill you can develop. If you can teach yourself then anything is possible. The ability to convey information about what you are learning is probably a close second. This assignment is designed to develop both skill sets.

Students are expected to pick one of the books listed at the end of the syllabus and read it in its entirety before the end of the semester. After having read the book they need to write a report on the book using the provided template on Canvas. The goal of the assignment is for you to convey how something you learned in the book will likely inform your personal or professional life in the future.

The list is diverse for a reason: you may or may not decide to work in finance professionally and so the subject matter should reflect that. Many of these are books I have personally read and found valuable. Others are on my "to do" list and are based on suggestions from industry professionals, and academic researchers, and entrepreneurs. Where they were suggested by one of these individuals I have included a description of the individual's relevant business information was provided.

NOTE: The template for the report provided on canvas must be followed *EXACTLY*, any deviation (Adjusting margins, changing font or punctuation size, exceeding page limits etc.) will result in a downward adjustment to your grade.

The tentative due date for this assignment is 12/09/2025 at 11:59PM but is subject to change.

Extra Credit

There is no pre-scheduled extra credit in this course and no individual extra credit opportunities will be granted under any circumstance.

I think the creation of AI chatbots is tremendous and a huge leap forwards in terms of the information and capabilities we have at our fingertips. I actively seek to use it in my own work and have found it to be an excellent tutor for very complex topics.

If you want to use it as a study guide (which I suggest at least experimenting with) I have found the following prompts to be quite effective:

- *"Tell me about the 20% of _____ that will give me 80% of the knowledge in that area"*
- *"Please explain _____ as simply as possible as if you are explaining it to a novice"*
- *"Can you explain _____ using some simple real-world examples and analogies"*

However, as they say with great power comes great responsibility. **If I catch you using AI to generate your assignments in lieu of doing the work yourself, I will give you a zero and most likely will turn you into the academic integrity office.** Trust me it isn't worth it.

Attendance & Class Participation

Students attendance and class participation are largely addressed in the section on class participation. Please understand that attendance and participation in any individual lecture are not necessarily required of students. However, should students fail to be in class when they are called upon they will not accrue the points for that day.

Additionally, any examples performed during lecture are not included in the slides that are distributed via canvas. This means that as a result students who are not in class are likely to miss information closely aligned with questions they will later see on exams.

Late Work

Late work will not be accepted under any circumstance. No exceptions.

Examination Policy

Exams are given in person and are closed note. There are no makeup exams under any circumstance.

Grading

Grades for this course will be assigned using the following ranges.

A:	90 - 100
B:	80 – 89
C:	70 – 79
D:	60 – 69
F:	0 – 59

University Policies

Attendance Policy

Students are expected to attend class meetings regularly and to abide by the attendance policy established for the course. It is important that you communicate with the professor and the instructional team prior to being absent, so you, the professor, and the instructional team can discuss and mitigate the impact of the absence on your attainment of course learning goals. Please inform the professor and instructional team if you are unable to attend class meetings because you are ill, in mindfulness of the health and safety of everyone in our community. If you are experiencing any symptoms of COVID (https://www.cdc.gov/coronavirus/2019-ncov/symptoms testing/symptoms.html) please seek medical attention from the Student Health and Wellness Center (940-565-2333 or askSHWC@unt.edu) or your health care provider PRIOR to coming to campus. UNT also requires you to contact the UNT COVID Team at COVID@unt.edu for guidance on actions to take due to symptoms, pending or positive test results, or potential exposure.

ADA Policy

UNT makes reasonable academic accommodation for students with disabilities. Students seeking accommodation must first register with the Office of Disability Accommodation (ODA) to verify their eligibility. If a disability is verified, the ODA will provide a student with an accommodation letter to be delivered to faculty to begin a private discussion regarding one's specific course needs. Students may request accommodations at any time, however, ODA notices of accommodation should be provided as early as possible in the semester to avoid any delay in implementation. Note that students must obtain a new letter of accommodation for every semester and must meet with each faculty member prior to implementation in each class. For additional information see the ODA website (https://disability.unt.edu/).

Academic Integrity

Academic Integrity Standards and Consequences. According to UNT Policy 06.003, Student Academic Integrity, academic dishonesty occurs when students engage in behaviors including, but not limited to cheating, fabrication, facilitating academic dishonesty, forgery, plagiarism, and sabotage. A finding of academic dishonesty may result in a range of academic penalties or sanctions ranging from admonition to expulsion from the University. Academic dishonesty will be penalized and will most likely result in a grade of "F" for this course.

Student Perceptions of Teaching

Student feedback is important and an essential part of participation in this course. The student evaluation of instruction is a requirement for all organized classes at UNT. The survey will be made available during weeks 13, 14 and 15 of the long semesters to provide students with an opportunity to evaluate how this course is taught. Students will receive an email from "UNT SPOT Course Evaluations via IASystem Notification" (no-reply@iasystem.org) with the survey link. Students should look for the email in their UNT email inbox. Simply click on the link and complete the survey. Once students complete the survey they will receive a confirmation email that the survey has been submitted. For additional information, please visit the SPOT website (http://spot.unt.edu/) or email spot@unt.edu.

Reading Assignment Booklist

Students can select any of the below books for use in this assignment. Students can additionally choose to consume these in any format that they prefer including paper copy, digital copy, and audio format. Students are not allowed to substitute films based on these books.

Note: I am well aware which of these books are also available as a movie. Further I am also aware of the distinctive and obvious differences between the written version and the theatrical version. <u>If students are caught utilizing the movie in lieu of the print version they will receive a zero for this assignment.</u>

Wall Street Favorites

- Lewis, Michael. *Liars Poker.* Penguin Publishing, 1990.
- Lewis, Michael. *The big short: Inside the doomsday machine.* Penguin UK, 2011.
- Sorkin, Andrew Ross. *Too big to fail: the inside story of how Wall Street and Washington fought to save the financial system--and themselves.* Penguin, 2010.
- Bruck, Connie. *The Predators' Ball: The Inside Story of Drexel Burnham and the Rise of the Junk Bond.* Simon and Schuster, 2013.
- Burrough, Bryan, and John Helyar. *Barbarians at the Gate: The Fall of RJR Nabisco.* New York, USA 1990.

Professional Asset Management

- Zuckerman, Gregory. *The man who solved the market: how Jim Simons launched the quant revolution.* Portfolio, 2019.
- Drobny, Steven. *Inside the house of money: top hedge fund traders on profiting in the global markets.* John Wiley & Sons, 2011.
- Mallaby, Sebastian. *More money than god: Hedge funds and the making of the new elite.* A&C Black, 2010.
- Schwager, Jack D. *Hedge fund market wizards: How winning traders win.* John Wiley & Sons, 2012.
- Schwager, Jack D. *Unknown market wizards: The best traders you've never heard of.* Harriman House, 2020.
- Ahuja, Maneet. *The Alpha Masters: Unlocking the Genius of the World's Top Hedge Funds.* John Wiley & Sons, 2012.
- Thorp, Edward O. *A man for all markets: From Las Vegas to wall street, how I beat the dealer and the market.* Random House Incorporated, 2017.
- Pedersen, Lasse Heje. *Efficiently inefficient.* Princeton University Press, 2015.
- Graham, Benjamin. *Intelligent Investor: The Classic Text on Value Investing.* Harper Collins, 2005.
- Lowenstein, Roger. *When genius failed: The rise and fall of Long-Term Capital Management.* Random House, 2000.
- Mehrling, Perry, and Aaron Brown. *Fischer Black and the revolutionary idea of finance.* John Wiley & Sons, 2011.
    - Recommending Source: LP and Principal at a large globally renowned hedge fund
- Covel, Michael W. *The Complete Turtle Trader.* Harper Business, 2009.
- Oppenheimer, Peter C. *The Long Good Buy: Analyzing Cycles in Markets.* John Wiley & Sons, 2020.
    - Recommending Source: Professional buyside investment analyst

Applied Mathematics & Risk Management

- Duke, Annie. *Thinking in bets: Making smarter decisions when you don't have all the facts*. Portfolio, 2019.
- Taleb, Nassim Nicholas. *The black swan: The impact of the highly improbable*. Random house, 2007.
- Polya, George. *How to solve it: A new aspect of mathematical method*. No. 246. Princeton university press, 2004.
- Bernstein, Peter L.. *Against the gods: The remarkable story of risk*. New York: Wiley, 1996.
- Poundstone, William. *Prisoner's dilemma: John von Neumann, game theory, and the puzzle of the bomb*. Anchor, 1993.
- Poundstone, William. *Fortune's formula: The untold story of the scientific betting system that beat the casinos and Wall Street*. Hill and Wang, 2010.

Personal Finance

- Warren, Elizabeth, and Amelia Warren Tyagi. *The two income trap: Why middle-class parents are going broke*. Basic Books, 2004.
- Kiyosaki, Robert T., and Sharon L. Lechter. *Rich Dad Poor Dad: What the Rich Teach Their Kids About Money-That the Poor and the Middle Class Do Not!*. Business Plus, 2001.
- Stanley, Thomas J. *The millionaire next door: The surprising secrets of America's wealthy*. Taylor Trade Publishing, 1996.
- Malkiel, Burton G. *A random walk down Wall Street: the time-tested strategy for successful investing*. WW Norton & Company, 2019.
    - Recommending Source: Finance Professor
- Housel, Morgan. *The Psychology of Money: Timeless lessons on wealth, greed, and happiness*. Harriman House Limited, 2020.
    - Two Recommending Sources: 1) Professional mutual fund manager and 2) a Finance Professor researching investments and mutual funds

Personal Success

- Carnegie, Dale. *How to win friends and influence people*.
- Achor, Shawn. *The happiness advantage: How a positive brain fuels success in work and life*. Currency, 2010.
    - Recommending Source: Health and Wellness Entrepreneur
- Pang, Alex Soojung-Kim. *Rest: Why you get more done when you work less*. Basic Books, 2016.
    - Source: retired executive from top three metals and mining firm
- Collins, Jim. "Good to Great-(Why some companies make the leap and others don't)." (2009): 102-105.
- Schwarzman, Stephen A. *What it takes: Lessons in the pursuit of excellence*. Simon and Schuster, 2019.
    - CFO at a Real Estate Investment Firm
- Zell, Sam. *Am I Being Too Subtle?: Straight Talk From a Business Rebel*. 2017
    - CFO at a Real Estate Investment Firm
- Payne, Mark. *How to kill a unicorn: How the world's hottest innovation factory builds bold ideas that make it to market*. Crown Pub, 2014.
    - CFO at a Real Estate Investment Firm
- Johnson, Spencer. *Peaks and Valleys*. Gramedia Pustaka Utama, 2013.
    - Professional sales manager
- Grant, Adam M. *Give and take: A revolutionary approach to success*. Penguin, 2013.

Sports Related

- Lewis, Michael. *Moneyball: The art of winning an unfair game*. WW Norton & Company, 2004.
- Moskowitz, Tobias, and L. Jon Wertheim. *Scorecasting: The hidden influences behind how sports are played and games are won*. Crown Archetype, 2011.

The Natural World

- Hawking, Stephen. *A brief history of time: from big bang to black holes*. Random House, 2009.
- Green, Brian. *The elegant universe: Superstrings, hidden dimensions, and the quest for the ultimate theory*. Vintage London, 1999.
- Halpern, Paul. *Einstein's Dice and Schrodinger's Cat: How Two Great Minds Battled Quantum Randomness to Create a Unified Theory of Physics*. Basic Books, 2015.