



# LINCOLN UNIVERSITY

<b>Course Title</b>	Investments (Stock Market)	<b>Instructor:</b>	Professor Dan Sevall
<b>Course No:</b>	BA 465	<b>Phone:</b>	650-380-0518
<b>Class hours:</b>	Mondays 6:30 to 9:15pm	<b>E-mail:</b>	dsevall@lincolnuca.edu
<b>Units:</b>	4 units (= 45 lecture hours + 45 hours of self-directed research study)	<b>Office Hours:</b>	Mondays, Tuesdays and Wednesdays 6:00pm-6:30pm
<b>Semester:</b>	Spring 2016	<b>Office:</b>	Room 407

## REQUIRED MATERIALS:

Textbook: Investments, 11th edition (2013) by Herbert Mayo (ISBN: 978-1133935995), The (Mis)Behavior of Markets (2006) by Benoit Mandelbrot & Richard L. Hudson (ISBN: 0-465-04357-7), The Black Swan (2007) by Nicholas Taleb, (ISBN: 978-1-4000-6351-2)

Required Tools: Microsoft Excel Spreadsheets and HowtheMarketworks.com website

## COURSE DESCRIPTION:

In-depth survey of stock market including nature of stocks, stock exchanges, indices, trading securities and options, convertible securities, mutual funds, investment banks, hedge funds, investment clubs, and dividend policy. Students learn trading mechanisms, tactics, and strategy as well as foundations of fundamental, technical, and sentimental analysis. A one-unit written research project and its oral presentation are required for the course. (4 units) Prerequisite: BA 303

## LEARNING OBJECTIVES:

The students will review the basic underpinnings of the world's financial markets, with an emphasis on stock market activity. Students will learn both the rationale for the existence of stock markets, the theories guiding market valuations, as well as an opportunity to engage in practical stock market trading through an on-line simulation to take place throughout the course.

## INSTRUCTIONAL METHODS:

Lecture method, as well as weekly online simulation activity (<http://www.marketwatch.com/Game/>).

## ASSIGNMENTS:

Most assignments will be from the textbook. Each assignment is due on the Monday of the next week after it is assigned.

In addition, DBA candidates will need to complete two additional research assignments concerning both The Black Swan, and (MIS)Behavior of Markets. For *The Black Swan*, this research assignment concerns whether current emphasis on using the normal distribution is appropriate for understanding and predicting stock market events. For *(MIS)Behavior of Markets*, PhD candidates will explore the efficacy of employing fractal geometry towards stock market events.

## EVALUATION:

Classroom engagement	every week	15%
Mid-semester Presentation	As scheduled	20%
<b>Research Projects (DBA only)</b>		20%
Final exam	As scheduled	25%
Final Simulation Presentation	As scheduled	20%

*Students will be allowed to use computers during tests.*

Throughout the course, students will take part in a simulation using the HowtheMarketswork.com website. Students will be given a notional \$100,000 to invest as they please in the stock market. Students will be asked to report their positions, gains and losses, on a weekly basis. This stock market game will be the crux of our practical application of theory throughout the course.

## GRADING:

Grades will be determined according to the following percentages awarded for completed work:

- 90% -100 %: A (A+ to A-) range
- 80% - 89%: B (B+ to B-) range
- 70% - 79%: C (C+ to C-) range
- 60% - 69%: D
- Below 60%: F

## COURSE SCHEDULE:

Weekly schedule of topics is attached. Students should read every chapter of the textbook on the topic to be discussed in class before they come to class. Be ready to answer in writing all review questions and to solve problems at the end of the chapter.

## MODIFICATION OF THE SYLLABUS:

**This syllabus was updated on January 15, 2016.** The instructor reserves the right to modify this syllabus at any time during the semester. An announcement of any changes will be made in the classroom.

## Spring 2016 SCHEDULE OF TOPICS

*Please read every chapter of the textbook before you come to class*

<b>Class Session</b>	<b>Topics</b>	<b>Chapters</b>
1	An Introduction to Investments	Chapters 1 Mayo text
2	Securities Markets and Time Value of Money	Chapters 2 and 3 Mayo text
3	Stock and the Valuation of Common Stock	Chapters 8 and 9 Mayo text
4	Financial Planning, Taxation and the Efficiency of Financial Markets; Risk and Portfolio Management	Chapters 4 and 5 Mayo text
5	Investment Companies: Mutual Funds	Chapter 6
6	Mid-semester presentations	
7	<b>Review.</b> <b>MIDTERM EXAM</b>	All Previous Material
8	Black Swan	Chapters 1-6
9	Black Swan	Chapters 7-12
10	Black Swan	Chapters 13-18
11	(MIS) Behavior of Markets	Chapters 1-5
12	(MIS) Behavior of Markets	Chapters 6-11
13	(MIS) Behavior of Markets	Chapters 12-13
14	<b>Final Presentations and Review</b>	

### COMPREHENSIVE FINAL EXAM

Let's get ready for a great course!