School of Management
The University of Texas at Dallas

Course Syllabus

Course: Finance 6310
Instructor: Professor Day
Semester: Spring 2013

Course Description, Pre-requisites, and Learning Objectives

The course objective is to develop an understanding of the role of financial theory and statistical analysis in evaluating both the relative desirability of investments in individual securities and the impact portfolio risk on an investor's ability to achieve long-term investment goals. The topics to be covered include trading, stock valuation, active portfolio management, asset allocation, global diversification, performance measurement, options, and fixed income securities. The concepts and techniques used to analyze these topics are particularly relevant to financial planning and personal investment decisions. The learning objectives for the course include understanding the impact of expected return and risk on the allocation of investment capital between active and passive management, as well as the impact of residual risk on the allocation of capital to active stock selections. Students will study the advantages and disadvantages of alternative measures of risk-adjusted investment performance, the role of options in portfolio management, and the techniques used to estimate the sensitivity of stock returns to systematic risk factors. Prerequisites include both Finance *6301* and OPRE *6303*.

Back to Top

Course Requirements

The requirements for Finance *6310* include a take-home midterm and a proctored final examination that will be ***cumulative***. In addition, you will be required to evaluate the risk and the investment performance of a simulated investment portfolio and to complete three required spreadsheet assignments. ***Late work will not be accepted*** without the prior approval. Your grade will be based on the total points accumulated during the semester, allocated as follows:

Portfolio Risk and Performance Assessment	*(15%)*	*30* points
Spreadsheet Assignments	*(15%)*	*30* points
Midterm Examination	*(20%)*	*40* points
Final Examination	*(50%)*	*100* points

Instructor Contact Information

My office is Room *3.815* of the School of Management. I can be reached by phone at *972-883-2743* or by e-mail at *tday@utdallas.edu*. During the semester, I will be available to communicate with you by phone or in person to discuss lecture materials or other issues that do not belong on any of the course discussion forums. If you need to schedule an office visit, I am pleased to schedule late afternoon and early evening appointments on relatively short notice.

Back to Top

Required Textbook and Other Class Materials

Class materials such as lecture notes, homework assignments and solutions, as well as detailed lecture notes will be available on the WebCT site for the course. The required textbook for Finance *6310* is:

Zvi Bodie, Alex Kane and Alan J. Marcus. *Investments*. McGraw Hill, Ninth Edition, *2011*. *ISBN 978-0-07-353070-0*

The required textbook is available online through MBS Direct Virtual Bookstore or Off-Campus Books, or can be purchased directly from either Off-Campus Books or the UTD Bookstore.

Scholastic Dishonesty

In accordance with the *Rules and Regulations* of the Regents of the University of Texas System, students in Finance *6310* must be above reproach in all scholastic activities, including but not limited to homework assignments and in-class examinations. Many of the homework problems and spreadsheet exercises that will be assigned this semester have been used previously at UTD by either myself or by my colleagues. The term "above reproach in all scholastic activities" specifically prohibits any use of homework solutions, spreadsheet templates, or case analyses from previous semesters, as well as the use of any other materials that have previously been developed at UTD or at other institutions of learning. The use of ***any*** prohibited materials or ***any violations*** of the rules for taking the in-class and take-home examinations will be treated as a serious violation of the honor code. Although lenient penalties for violations of the honor code are imposed by the Office of Judicial Affairs, my referral to the Office of Judicial Affairs with regard to ***any and all violations*** of the honor code will be accompanied by my strongest recommendation that the student in question receive a failing grade for the course and be placed on ***permanent academic suspension*** from the University. The University Policy on Scholastic Dishonesty is explained in detail on the web page for the Office of Judicial Affairs.

Back to Top

University Resources Available to Online Students

UTD Distance Learning: http://www.utdallas.edu/elearning/students/cstudents.htm

McDermott Library: UTD students who do not live in Collin**,** Dallas**,** Denton**,** Rockwall**,** or Tarrant counties will need a UTD-ID number to access the library's electronic resources (reserves, journal articles, ebooks, interlibrary loan) from off campus. UTD students who live within these counties and who are taking online courses will be required to obtain a Comet Card to check out materials at the McDermott Library. More information on library resources is available at http://www.utdallas.edu/library/distlearn/disted.htm.

Back to Top

Grading Policy

The semester grades for Finance *6310* will be based on an end-of-semester ranking of students according to the total points accumulated in fulfilling the course requirements. Additionally, ***completion of the requirements for Finance 6310 requires satisfactory completion of every individual assignment***. Both the absolute number of points accumulated and students' respective rankings will be used in assigning each student to one of four groups: excellent, good, below average and substandard. While I have a general standard for the absolute point totals required to enter each of the four groups, the precise cutoff points used to assign grades will be an end-of-semester decision based on my perceptions of overall class effort, the difficulty of the exams, and other factors that I consider appropriate. In the past, point totals of *165* and *130* have usually been sufficient to earn grades of *A* and *B* respectively, while point totals less than *100* have usually resulted in a failing grade. There will be no constraint on the percentage of the class that is assigned any given grade.

Back to Top

Spreadsheet Assignments

Each student will be required to hand in three problem-oriented spreadsheet assignments during the semester. These spreadsheet assignments include an analysis of the confidence intervals for the long-run value of a portfolio, ***due before 10 P.M. on February 20*** (*see Lecture 3*), construction of a portfolio optimization model ***due before 10 P.M. on February 27*** (*see Lecture 4*) and estimation of the market and factor risks for a group of individual stocks ***due before 10 P.M. on April 3*** (*see Lecture 7*). Group construction of solutions to spreadsheet assignments is prohibited. Each student is required to build a unique spreadsheet from the ground up and to provide an answer for each of the problems included in the assignment. Although each spreadsheet assignment will require a series of explicit numerical solutions, your ability to describe and discuss the results of your analysis will be an important consideration in determining your grade on all spreadsheet assignments. ***Late work will not be accepted***.

Your answers to the questions posed on each spreadsheet assignment must be submitted in a single file formatted as a ***Word document*** with a simple file name and a file extension (no spaces or special characters). Your Word document must (*1*) be formatted to print on *8-1/2 x 11* paper, (*2*) double-spaced with *1*-inch margins, and (*3*) in a font no smaller than a *12 pt.* Any graphs or estimation results derived from your spreadsheet model must be cut and pasted into your Word document. Your spreadsheet solutions may be submitted by uploading your work using the ***Assignments link*** that will be posted on the course home page. Alternatively, you may send me your spreadsheet work as an attachment using the course e-mail tool. Each assignment link will be deactivated after the assignment due date. Your graded assignments along with my feedback will be returned to you by private e-mail. ***Late spreadsheet assignments will not be accepted.***

Back to Top

Back to Top

Portfolio Risk and Performance Assessment Report:

Each student is required to manage a *$1,000,000* portfolio during the semester. Participation in this portfolio simulation exercise requires that each student register for an investment account with Stock-Trak. Your registration can be completed by linking to the Stock-Trak web site: http://www.stocktrak.com/public/members/registrationstudents.aspx?p=UTD-Finance6310-Day-Spring13. The registration cost for each account is *$26.95*. The Trading Rules for the portfolio simulation can be downloaded from the Stock-Trak web site. Trading will begin on Monday February *4* and end on Friday April *12*. Your account activity can be monitored at *www.stocktrack.com*. ***Each student is responsible for keeping all records required*** *to track their portfolio's weekly performance*.

Your portfolio must include long positions in ***at least ten*** but ***not more than twenty*** stocks (the effort demanded by your project will be positively correlated with the number of stocks in the portfolio), as well as at least ***one call option position*** of *10* or more contracts, and at least ***one put option position*** of *10* or more contracts. ***No more than 20 percent*** of your portfolio may be invested in any one security. ***UTD***'s rigid investor suitability requirements ***expressly prohibit you from trading commodity futures and currencies***. Each student is required to monitor the impact of option positions on portfolio risk and return on a week-by-week basis. Thus, ***you must keep weekly records of the value of these option positions and of the value of the underlying stocks*** in order to ***account for the impact of option positions on your portfolio's market and firm-specific risks***.

Your Performance Evaluation and Risk Assessment Report is due on Wednesday May 1 by 10 P.M. Your report should not exceed ***five*** double-spaced pages, excluding exhibits. Each report must ***include a brief investment policy statement*** and provide a quantitative estimate of the portfolio's ***exposure to systematic (beta) and residual (firm-specific/omega) risk***. The residual risk for individual securities can be estimated using a regression analysis of the *52* weekly returns during the *2012* calendar year, or else extracted from a recent estimate for the implied volatility for an at-the-money call option written on the stock. If your portfolio holdings remain relatively constant during the semester, the creation of week-by-week estimates of portfolio risk will not be necessary. However, if you choose to engineer significant changes in your portfolio's mix of assets during the semester, you must provide separate estimates of portfolio risk for those weeks having significantly unique portfolio holdings. Each student's performance analysis should include ***explicit comparisons of portfolio risk and return*** with the risk and return for both the overall stock market and for their benchmark performance index.

The justification for the benchmark used in evaluating your portfolio's investment performance is an important component of your report. For example, if you plan to invest primarily in large capitalization stocks then the S&P 500 would be a reasonable performance benchmark, while if you invest in both large and small capitalization stocks you should use either the Wilshire *5000* or a composite benchmark. Your report should evaluate the performance of your portfolio using ***at least three*** measures of risk-adjusted performance, including an explicit estimate of the number of basis points by which your portfolio outperformed or underperformed the market. Your grade for the project will be based on the quality of your performance evaluation and risk analysis, and not on your portfolio's actual performance. However, since money management is about beating your benchmark, I will assign ***15*** **bonus points** to the student who ***most convincingly supports*** their claim to having the best risk-adjusted performance, with the curve for assigning semester grades to be set prior to the assignment of bonus points.

Back to Top

Back to Top

Online Discussions of Assigned Homework and Current Topics

Each student will be assigned alphabetically by last name to one of two discussion groups. Discussion board participation is intended to encourage interaction with your classmates and instructor, to develop your ability to structure and solve practical problems, and to provide support for your work on the performance measurement and risk assessment assignment. Additionally, your discussion group provides a forum for discussing the application of the concepts and techniques discussed in class lectures to practical investment management situations. In order to provide you with an opportunity to develop your understanding of the concepts and techniques discussed in the lectures, I will post ***eight*** homework assignments during the semester (distinct from spreadsheet assignments). Although I will not be logging your contributions to the discussion board or requiring that you submit solutions to the assigned homework, I strongly encourage you to participate in discussions of both suggested homework problems as well as practical problems related to your risk assessment and performance measurement project in order to better prepare yourself for the midterm and final examinations. Discussion board participation will improve the quality of the risk assessment and performance measurement required by your portfolio management project. I plan to post suggested solutions to the assigned homework on the second Wednesday following the (Friday) distribution of the respective homework assignments. ***Students are expected to refrain from posting profane and/or obnoxious comments (****certain words that are used all too frequently on television will lead to the imposition of harsh sanctions if used on the discussion board for Finance 6310****). Even more importantly, please avoid posting vacuous replies such as "I agree", "that's what I got", or "let's see what the professor has to say".*** Although I am pleased to communicate with students directly by phone or Private E-mail, comments about homework problems or questions that arise with respect to the estimation of the portfolio risk or the measurement of risk-adjusted performance for your Stock-Trak portfolios should generally be ***shared*** with your fellow students.

Midterm Examination

Each student must complete a "take-home" midterm examination consisting of *eight to ten* problems similar to those included in the assigned homework. The midterm exam will be made available on the course Web site by *11:00 A.M. on* ***Thursday March 7***. You must submit your solutions as a single file formatted as a Word document with a simple file name and extension (no spaces/special characters) using either the ***Assignments link*** on the course menu or the course e-mail tool ***no later than 10:00 P.M. on Sunday March 10***. Midterm solutions must be formatted to print (*1*) on *8.5x11* paper, (*2*) double-spaced with *1*-inch margins, and (*3*) in a font no smaller than *12 pt*. Since the exam has no time limit, problems included on the midterm examination are "*likely*" to be more comprehensive than some of the assigned homework problems. During the midterm exam, students may refer to their textbook, lecture notes, and homework solutions that have been distributed during the semester. However, students are expressly prohibited from discussing the midterm exam, either with one another or with anyone else prior to Tuesday March *12*.

Back to Top

Back to Top

Final Examination

Each student in Finance *6310* is required to take a ***proctored final examination*** consisting of ten to twelve problems or short essay questions related to the assigned homework, although the question on the final examination will typically have fewer parts than the assigned homework. The final examination, which will be ***comprehensive,*** will be ***closed book*** and ***closed notes***. Each student is required to complete the proctored final examination within a *3*-hour time period.

Beginning with the Spring *2013* semester, the Global MBA eLearning team will no longer be responsible for proctoring final exams. Students living in the greater Dallas-Fort Worth area may arrange to take the proctored final examination at the ***UTD Testing Center*** free of charge, subject to capacity constraints, on a first-come first-served basis. Students will be notified by the GMBA program once the UTD Testing Center is fully prepared to schedule reservations for the proctoring of final exams. The information needed to schedule proctored final examinations at the UTD Testing Center can be found on the UTD Testing Center Website. Please carefully read and follow all testing center policies. You are ***required to reserve a seat and a time*** for your exam online through the UTD Testing Center web site and to complete your exam during the exam window from ***May 7*** through ***May 11***. On the day of your scheduled examination, you should go to the UTD Testing Center (MC 1.304) at your scheduled examination time to sign in with your ***Comet Card*** or a ***photo ID and UTD ID number***. If you fail or are unable to make a reservation with the UTD Testing Center, you are responsible for making arrangements to take the exam with an outside testing service by following the procedures below.

Students who are unable to take the proctored final exam at the UTD Testing Center may use a ***pre-approved*** testing service at a convenient off-campus location. Students are responsible for all proctoring fees charged by off-campus testing centers. All students taking the final exam "off-campus" ***must notify*** the *eLearning Team* of the location for their proctored exam at proctoredexam@utdallas.edu. Further, each student must complete and return a proctored exam form to the *SOM eLearningTeam* by ***March 22***. Please go to the Proctored Exam Information page to access and complete the ***Online Proctored Exam Form*** or to find detailed information on the procedures for completing the arrangements for your proctored examination. All final exams must be completed within the exam window from ***May 7*** through ***May 11***. Your completed examination must be received at *UTD* by ***May 13*** to permit timely reporting of grades to the *UTD* Registrar. The eLearning Office requests that all students strictly adhere to the proctored examination scheduling deadlines. Students who need special accommodations for the final examination should seek advance approval from their instructor.

Guidelines for Administration of the Final Examination:

Students will have ***three hours to complete the final examination***. The exam will be ***closed book and closed notes*** in that students ***will not be allowed*** to refer to any textbooks, class notes, or any other class materials during the exam. Any ***possession or use of cell phones or other wireless devices and methods of communication*** during the exam is ***expressly prohibited***. Students ***will be allowed to use a simple calculator*** during the exam, but ***full-size or tablet computers and calculators that permit storage of text will not be permitted***. Acceptable calculators include the Casio *fx* series and the two models authorized for use on the CFA exam, the TI BA *II* Plus (or Plus Professional) and HP *12C (*or *12C* Platinum*)*. During the exam, each student may reference ***(only) one sheet of paper no larger than 8.5"x 11"*** containing ***hand written*** formulas (you ***may not*** cut and paste formula's from your class notes onto your formula sheet). The content of the formula sheet is ***limited to formulas and must not include worked examples, written definitions of the formulas, definitions of any of the symbols used in the formulas, or any notes of any sort (i.e., do not include any words on your formula sheet).***

Back to Top

Back to Top

Instructor Biography

Theodore E. Day is Professor of Finance in the School of Management at the University of Texas at Dallas, where he teaches courses in corporate finance and portfolio management. Prior to joining the UTD faculty in 1990, Professor Day held faculty positions at Vanderbilt University and at the University of North Carolina. A Certified Public Accountant born in Collinsville, Oklahoma, Professor Day earned his M.B.A. from the University of Oklahoma and a Ph.D. in Finance from Stanford University's Graduate School of Business. Professor Day's research on the impact of inflation on stock market returns, the term structure of interest rates, analysts' earnings forecasts, and the volatility of derivative asset markets has been published in academic journals such as the *Journal of Financial Economics*, the *Review of Financial Studies*, the *Journal of Finance*, and the *Journal of Political Economy*. In addition, Professor Day is the co-author of *Taxes, Financial Policy, and Small Business*, a monograph funded by a grant from the Small Business Administration. Professor Day's research on the quality of analysts earnings forecasts, "Following the Leader: An Analysis of Analyst's Earnings Forecasts", with Rick Cooper and Craig M. Lewis, received the 2002 Fama/DFA prize as the best paper on Capital Markets and Asset Pricing published in the *Journal of Financial Economics.*

Technical Requirements

In addition to a confident level of computer and Internet literacy, certain minimum technical requirement must be met to enable a successful learning experience. Please review the important technical requirements and the web browser configuration information.

Back to Top

Course Access and Navigation

This online version of Finance 6301 was developed for fully online delivery using a web course tool called eLearning. Students will use their *UTD* NetID account to login at http://elearning.utdallas.edu. Additional details are provided at course access and navigation information. To get started with this eLearning course, please see the Getting Started: Student eLearning Orientation.

UTD provides eLearning technical support *24* hours a day/*7* days a week. The services include a toll free telephone number for immediate assistance (*1-866-588-3192*), email request service, and an online chat service. The *UTD* user community can also access the support resources such as self-help resources and a Knowledge Base. You may use the following link to access the *UTD* eLearning Support Center: http://www.utdallas.edu/elearninghelp.

Back to Top

Back to Top

Communications

This eLearning course has built-in communication tools that will be used for interaction and communication. External communication tools such as regular email and a web conferencing tool may also be used during the semester. For more details, please see communication tool information.

Your instructor will communicate with you directly using the Private e-mail feature built into eLearning, by making announcements on the Main Discussion Board for the course, and by posting suggestions and comments on the Homework Discussion boards. Students may send personal concerns or questions directly to the instructor using the course Email tool. Although students are also welcome to contact me using the regular campus email system at tday@utdallas.edu, the course Email tool should generally be used for communications that may include private information protected by law. The instructor will reply to student emails or Discussion board messages within 3 working days under normal circumstances.

Back to Top

Policy on Disruption of Server Access or Other Technical Difficulties

Unexpected interruptions of access to the server that hosts the course web site should be expected to occur from time to time, although I am hopeful that such disruptions will be infrequent and of short duration during the upcoming semester. Additionally, the server may be unavailable for short periods of time (usually on Sunday mornings) while regularly scheduled maintenance is being performed. Students should assist in minimizing the impact of such disruptions by downloading homework assignments, quizzes and exams on a timely basis rather than waiting until close to the due date. In the event of a prolonged service disruption coincident with the deadline for submission of a graded homework quiz or the midterm examination, the deadline for that assignment will be extended to provide a reasonable opportunity for the submission of the assignment. Students should report all server problems to both the instructor and the UTD eLearning Help Desk: http://www.utdallas.edu/elearninghelp, *1-866-588-3192*.

Back to Top

Course Evaluation

UTD academic regulations require that students be asked to provide an evaluation for each course in which they are enrolled at the end of each semester. An online instructional assessment form will be made available for your confidential use through a course evaluation link appearing on the course Homepage during the last two weeks of the semester. Evaluations must be submitted prior to ***May 8***. Your feedback and comments are greatly appreciated.

University Policies on Student Conduct and Discipline

The policies and procedures of the University of Texas at Dallas with regard to student conduct and discipline are fully described at http://go.utdallas.edu/syllabus-policies. These policies and procedures are subject to revision at the discretion of the University.

Back to Top

Back to Top

Course Outline/Schedule

The outline below lists the dates on which you should begin working on each of the listed topics. Consistent with the fact that the lecture for January *16* is an introductory lecture, the notes for this lecture are labeled as "*Lecture 0*" on the web site, with the lecture notes for subsequent lecture topics numbered from *1* through *12*. The articles listed below can be obtained in either electronic format or hard copy from the McDermott Library. Unfortunately, the University's interpretation of legal precedent regarding the "fair use and distribution" of copyright protected material in electronic format prevent me from making copies of these articles available on the course web site. However, if you have difficulty obtaining copies of any of the materials listed below I will be happy to assist you. All assignments are printed in bold-faced font. Please remember that ***you are required to submit detailed solutions for all spreadsheet assignments*** (as described previously), although ***you will not be required to submit solutions to the weekly homework assignments***.

0. Market Efficiency, Investment Performance, and Investment Policy — January *16*

Bodie, Kane and Marcus, pages *280-300*, pages *319-323* and Chapter *28*.

Bodie, Kane and Marcus, Review *CFA Exam* Questions *1-12* on pages *314-316*.

John Maynard Keynes. "The State of Long-Term Expectations." Chapter *12* of *The General Theory*, Macmillan, *1936*.

1. Stock and Option Trading, Performance Benchmarks, and Mutual Funds — January *23*

Bodie, Kane and Marcus, pages *41-53*, Chapters *3* and *4*, pages *668-683*

Gary Gastineau. "Exchange-Traded Funds: An Introduction." *Journal of Portfolio Management*, Spring *2001*, *88-96*.

Homework Set 1: Discussion board topic.

2. Dividend Discount Models, Implied Alphas, and Long Run Performance — January *30*

Bodie, Kane and Marcus, Chapter *18*

Arthur B. Laffer and Marc Miles. "Five Factors Distorting P/E Comparisons Over Time." *Laffer Associates Supply-Side Investment Research*, March *19, 2003*.

Jeremy J. Siegel. "The Nifty Fifty Revisited: Do Growth Stocks Ultimately Justify Their Price?" *Journal of Portfolio Management*, Summer *1995*, *8-20*.

Jeremy J. Siegel. "Valuing Growth Stocks: Revisiting the Nifty Fifty." *American Association of Individual Investors*, *1998*.

Homework Set 2: Discussion board topic.

Back to Top

Back to Top

3. Time Diversification and Asset Allocation February *6*

M. Kritzman. "What Practitioners Need to Know…about Time Diversification." *The Financial Analyst's Journal*, January/February *1994*, *14-18*.

Roger Ibbotson and P. Kaplan. "Does Asset Allocation Policy Explain *40*, *90* or *100* Percent of Performance?" *Financial Analysts Journal*, Jan/Feb *2000*, *26-33*.

Spreadsheet Assignment 1: Due February 20 by 10PM.

4. Forecasts of Expected Returns and the Optimal Asset Allocation February *13*

Bodie, Kane and Marcus, Chapters *5* and *7*, and pages *165-167* and *937-943*

Roger Ibbotson and P. Chen. "Long-Run Stock Returns: Participating in the Real Economy." *The Financial Analysts Journal*, January/February *2003*, *88-98*.

Spreadsheet Assignment 2: Due February 27 by 10 PM.

5. Stock Selection and Active Portfolio Management February *20*

Bodie, Kane and Marcus, Chapter *6* and pages *261-268*, *904-910* and *926-937*.

Richard C. Grinold. "Real Alphas Don't Get Eaten." *The Journal of Portfolio Management*, Summer *1994*, *9-16*.

Homework Set 3: Discussion board topic.

Submit Spreadsheet Assignment 1 by 10 PM.

6. Global Diversification and Performance Attribution February *27*

Bodie, Kane and Marcus, Chapter *25*.

Homework Set 4: Discussion board topic.

Submit Spreadsheet Assignment 2 by 10 PM.

****** Midterm Examination: Due by 10 P.M. on March 10 (lectures 0 to 6) March 7***

7. Estimation of Beta and Tests of Asset Pricing Models March *20*

Bodie, Kane and Marcus, pages *268-274*, *296-306*, *319-323*, *331-336* and Chapter *13*.

Eugene F. Fama, Jr. "Asset Management: Engineering Portfolios for Better Returns." PCT Publishing, May *1998*.

William F. Sharpe. "Asset Allocation: Management Style and Performance Measurement." *Journal of Portfolio Management*, Winter *1992*, *7-19*.

N. Jegadeesh and S. Titman. "Returns to Buying Winners and Selling Losers." *Journal of Finance 48*, March *1993*, *65-92*.

Spreadsheet Assignment 3: Due April 3 by 10 PM

Back to Top

Back to Top

8. Performance Measurement March *27*

Bodie, Kane and Marcus, Chapter *24*.

Stephen L. Nesbitt. "Buy High, Sell Low: Timing Errors in Mutual Fund Allocations." *Journal of Portfolio Management*, Fall *1995*, *57-60*.

Alan J. Marcus. "The Magellan Fund and Market Efficiency." *The Journal of Portfolio Management*, Fall *1990*, *85-88*.

Homework Set 5: Discussion board topic.

9. Options April *3*

Bodie, Kane and Marcus, Chapters *20* and *21*

Homework Set 6: Discussion board topic.

Submit Spreadsheet Assignment 3 by 10 PM.

10. Bond Yields, Default Premiums, and the Term Structure April *10*

Bodie, Kane and Marcus, pages *29-41* and Chapters *14* and *15*

Ed Altman and J. Bencivenga. "A Yield Premium Model for the High-Yield Debt Market." *The Financial Analyst' Journal*, September-October *1995*, *49-56*.

Ed Altman and Guarav Bana. "Defaults and Returns on High Yield Bonds." *The Journal of Portfolio Management*, Winter *2004*, *58-73*.

Homework Set 7: Discussion board topic.

Portfolio Simulation Ends: Risk Assessment Due by May 1 at 10 PM ***April 12***

11. Using Duration to Measure the Interest Rate Risk for Fixed Income Portfolios April *17*

Bodie, Kane and Marcus, Chapter *16*

Homework Set 8: Discussion board topic.

12. Managing the Interest Rate Risk of Fixed Income Portfolios April *24*

Bodie, Kane and Marcus, Chapter *16*

13. ***Portfolio Risk and Performance Assessment Due by May 1 at 10 PM*** May *1*

14. ***Final Exam*** ***May 7 through 11***

Back to Top

10. Tests of Market Efficiency and the Profitability of Active Trading Strategies April *13*

Bodie, Kane and Marcus, Chapters *11* and *12*

Robert Tumarkin and Robert F. Whitelaw. "News or Noise? Internet Postings and Stock Prices" *Financial Analysts Journal*, May/June *2001, 41-51*.

Kenneth L. Fisher and Meir Statman. "Investor Sentiment and Stock Returns." *Financial Analysts Journal*, March/April *2000, 16-23*.