

School of Management
The University of Texas at Dallas

Course Syllabus

Course: Finance 6310

Instructor: Professor Day

Semester: Fall 2009

[Course Description](#)	[Course Requirements](#)	[Contact Info](#)	[Textbook](#)	[Scholastic Dishonesty](#)
[Grading Policy](#)	[Spreadsheet Assignments](#)	[Portfolio Management Assignment](#)		
[Discussion Groups/Homework](#)	[Midterm Exam](#)	[Final Exam](#)	[Instructor Bio](#)	
[Technical Requirements](#)	[Communication](#)	[Course Evaluation](#)	[Course Outline](#)	[UTD Policies](#)

Course Description, Pre-requisites, and Learning Objectives

The course objective is to provide 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 concepts and techniques covered are particularly relevant to financial planning and personal investment decisions. Individual topics to be covered during the semester include trading, stock valuation, active portfolio management, asset allocation, global diversification, performance measurement, options, and fixed income securities. The learning objectives for the course include understanding the both the impact of expected market returns and risk on the allocation of investment capital between active and passive management, as well as understanding of the impact of residual risk on the allocation of capital to active stock selections. Students will also study the advantages and disadvantages of alternative measures of risk-adjusted investment performance and become proficient in estimating the sensitivity of stock returns to systematic risk factors. Prerequisites Include: Finance 6301 and OPRE 6303.

[Back to Top](#)

Course Requirements

The requirements for Finance 6310 include a take-home midterm and a proctored *cumulative* final examination. In addition, you will be required to evaluate the risk and the investment performance of a simulated investment portfolio and to complete at least 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	(20%)	40 points
Spreadsheet Assignments	(10%)	20 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, Eighth Edition, 2008.

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 the 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/distancelearning/students>

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/distancelearning/students/libraries.html>.

[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 September 28*** (see Lecture 3), construction of a portfolio optimization model ***due before 10 P.M. on October 4*** (see Lecture 4) and the estimation of the market and factor risk for a group of individual stocks ***due before 10 P.M. on October 28*** (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 spreadsheet assignment. Although each spreadsheet assignment will require a series of explicit numerical solutions, your ability to describe and discuss the results of your spreadsheet 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 must be submitted by uploading your work using the ***Assignments link*** on the course menu. To use the ***Assignments link*** on the course menu or the ***Assignments icon*** on the designated page, simply click the link to the assignment and then follow the on-screen instructions to upload and submit your files. The Help menu provides additional information on using this 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. Each student will be required to register for an account with Stock-Trak at www.stocktrak.com (prior to registration I will assign a registration number to each student). The cost of each account is \$25.95. The Trading Rules for the portfolio simulation can be downloaded from the Stock-Trak web site. Trading will begin on Monday September 7 and end on Friday November 13. 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 required for your project will be positively correlated with the number of stocks in your portfolio), as well as at least ***one call option position of 10 or more contracts, and 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 December 3. Your report should not exceed ***five*** double-spaced pages (excluding exhibits). Each report must ***include an explicit 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 2008 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 different portfolio holdings. Each student's performance analysis should include ***explicit comparisons of their portfolio's 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 the 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 4:00 P.M. on **Friday October 16**. 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 ***before 10:00 P.M. on Monday October 19***. 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 October 20.

[Back to Top](#)

[Back to Top](#)

Final Examination

The final examination for Finance 6310 will be ***closed*** book and ***closed*** notes, consisting of ten to twelve problems or short essay questions related to the assigned homework, although questions on the final examination will typically have fewer parts than homework problems.

The final examination may be taken at UTD ***on Friday December 11 from 9:00 A.M to 9:00 P.M*** or on ***Saturday December 12 from 9:00 A.M to 5:00 P.M***. The room location for the exam will be announced at a later date. Upon arriving to sit for the examination, each student must check in with the TA monitoring the examination room and present a photo ID (e.g., student ID, valid driver's license, or other photo ID). The TA will verify enrollment and record each student's name and check-in time. Students must return their completed exams to the TA so that the completion time may be recorded to ***assure that you have completed the final examination within the allotted 3-hour time limit***. Since the examination room will close promptly at the appointed time, students must ***arrive 3 hours prior to closing time*** to have the full 3 hours allotted for completing the exam. Students who cannot take the on-campus exam may arrange individually proctored exams with a pre-approved testing service on any date during the period from ***December 10*** through ***December 14***. Students are responsible for all proctoring fees.

Students in the DFW area may also have their exams administered by the [UTD Office of Student Success and Assessment](#). Students who find UTD geographically inconvenient may use a pre-approved testing service at a convenient location. All individually arranged proctored exams must be completed within the stated 3-hour time limit. Students using either the UTD testing service or an outside testing service ***must*** inform the *SOM eLearning Team* at som-elearning@utdallas.edu, as well as their instructor. A proctored exam form must be completed and returned to the *SOM eLearningTeam* by ***November 2***. Please go to the [Proctored Exam Information](#) page to ***download the Proctored Exam Form*** or to find detailed information about the procedures for completing the arrangements for your proctored examination. Your completed exam should be received at UTD by ***December 15*** to permit timely reporting of grades to the UTD Registrar. The eLearning Office requests that all students who wish to use testing services comply with these scheduling ***deadlines***. Students who fail to submit the ***Proctored Exam Form*** on time must take the final examination on the UTD campus on either ***December 11*** or ***December 12***.

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 ***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 and HP 12C. 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 your class notes onto your formula sheet). Content of the formula sheet is ***limited to formulas*** and may not include worked examples, notes, formula labels or definitions of variables.

[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 to the course through UTD Galaxy: <http://galaxy.utdallas.edu> or directly 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](#). Students will also have access to live voice chat in the 3D virtual world of Second Life. Instructions for accessing the UTD SOM Island in Second Life can be found at <http://som.utdallas.edu/somResources/eLearning/faculty/secondLife.php>

Your instructor will communicate with you directly using the Private e-mail feature built into WebCT, 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 **December 7**. Your feedback and comments are greatly appreciated.

[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 August 21 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 article 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 August 21

Bodie, Kane and Marcus, pages 279-299, pages 320-324 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 August 28

Bodie, Kane and Marcus, pages 35-48, Chapters 3 and 4, pages 671-686

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 September 4

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 September 11

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 September 28 by 10PM.

4. Forecasts of Expected Returns and the Optimal Asset Allocation September 18

Bodie, Kane and Marcus, Chapters 5 and 7, and pages 935-941

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 October 5 by 10 PM.

5. Stock Selection and Active Portfolio Management September 25

Bodie, Kane and Marcus, Chapter 6 and pages 259-266, 903-910 and 924-935.

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

Homework Set 3: Discussion board topic.

6. Global Diversification and Performance Attribution October 2

Bodie, Kane and Marcus, Chapter 25.

Homework Set 4: Discussion board topic.

7. Estimation of Beta and Tests of Asset Pricing Models October 9

Bodie, Kane and Marcus, pages 266-271, 295-305, 319-324, 332-337 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.

P. Bernstein. "If Beta Is Dead, Where Is the Corpse?" *Forbes* (July 20, 1992), 343.

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

Spreadsheet Assignment 3: Due October 26 by 10 PM

[Back to Top](#)

[Back to Top](#)

Midterm Examination Due by 10 P.M. on October 19 (lectures 0 to 6)

October 16

8. Performance Measurement

October 23

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

October 30

Bodie, Kane and Marcus, Chapters 20 and 21

Homework Set 6: Discussion board topic.

10. Tests of Market Efficiency and the Profitability of Active Trading Strategies November 6

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.

11. Bond Yields, Default Premiums, and the Term Structure

November 13

Bodie, Kane and Marcus, pages 23-35 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.

12. Managing the Interest Rate Risk for Fixed Income Portfolios

November 20/December 4

Bodie, Kane and Marcus, Chapter 16

Homework Set 8: Discussion board topic.

Final Exam

December 11 or 12

[Back to Top](#)

[Top](#)

University Policies

Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations that govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that students demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

Email Use

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

Withdrawal from Class

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

Student Grievance Procedures

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

Incomplete Grade Policy

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**.

Disability Services

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m. The contact information for the Office of Disability Services is:

The University of Texas at Dallas, SU 22
PO Box 830688
Richardson, Texas 75083-0688
(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be

necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

[Top](#)