

SYLLABUS

TITLE:	Investments
CODE:	FIN 304
PREREQUISITE:	FIN 305
CREDITS:	3 credits 45 contact hours 1 term

DESCRIPTION

Study of the theoretical aspect and its application in liquid investments and their markets. Debt, equity, and hybrid values are analyzed. It discusses the nature of the stock options market, reading and interpreting the financial press, and trading with a registered representative or broker. The nature and function of central banking is also studied, taking the Federal Reserve System of the United States as a model. It outlines the principles of monetary theory and policy and discusses some aspects of an international nature such as the balance of payments and the foreign exchange market.

JUSTIFICATION

The course's objective is for students to gain a general knowledge about the multiple components of the financial sector. One of the most important financial goals is to strike a balance between the risk we want to take and the return we expect to achieve. Such a balance can be achieved through liquid investments, considering credit and available resources. This course allows Finance students to learn about a variety of liquid investments and how to select them for the achievement of higher corporate and personal performance.

COMPETENCES

The course develops the following competences in students:

- **Critical questioning**
- **Research and exploration**

OBJECTIVES

After completion of the course, students will be able to:

1. Know the vocabulary used in the stock markets regarding financial instruments.
2. Describe the structure of financial securities markets.
3. Argue the effect that investment has on the economy, government, and contributions.
4. Analyze the behavior and trends of the stock markets.
5. Use the financial press to understand and interpret trends in the behavior of different financial securities.
6. Negotiate with a registered representative or broker.

CONTENTS

- I. Definitions and Fundamental Concepts of Investments: Why We Invest?
 - A. The investment process
 - B. The decision process
- II. Types of Financial Securities
 - A. Non-marketable financial assets
 - B. Marketable values
 - C. Capital market securities
 1. Bonuses
 2. Actions
 3. Derivatives
- III. Stock Market
 - A. Structure and framework of financial markets
 1. Primary markets
 2. Secondary markets
 - B. The theory of efficiency in financial markets
 - C. Monetary policy to manage economic variables
- IV. Concept of Value and Risk
 - A. Performance definition
 - B. Components
 - C. Metrics
 - D. Estimates

- V. Concept of Risk
 - A. Sources
 - 1. Systematic risk
 - 2. Unsystematic risk
 - 3. The risk-return ratio
- VI. Basics of Bonds
 - A. Definition
 - B. Characteristics
 - C. The bond market
- VII. Bond Valuation Analysis
 - A. Bond valuation
 - B. Capital Assets Pricing Model (CAPM)
- VIII. Financial Derivatives
 - A. Introduction to financial derivatives
 - B. Calls & puts options
 - C. Interest swaps
- IX. Common Stocks and Industry/Company Analysis
 - A. Common stocks
 - B. Preferred stock
 - C. Gordon's model
 - D. Fundamental analysis vs. technical analysis
 - E. Analysis of financial ratios

METHODOLOGY

The following strategies from the active learning methodology are recommended:

- Problem-based learning
- Case method
- Simulations
- Flipped classroom

EVALUATION

Partial assignments	30%
Oral presentations	20%
Compositions	20%
Final project or exam	30%
Total	<hr/> 100%

LEARNING ASSESSMENT

The institutional assessment rubric is applied to the course's core activity.

BIBLIOGRAPHY

Chambers, D. R., Anson, M.J.P., Black, K.H., & Kazemi, H. (2020). *Alternative Investments CAIA Level I*. Wiley.

Jordan, B., Miller, T., & Dolvin, S. (2021). *Fundamentals of Investments: Valuation and Management*. Mcgraw-Hill Education.

Parker Jones, C., Jensen, G.R. (2020). *Investments: Analysis and Management*. Wiley.

For more information resources related to the course's topics, access the library's webpage <http://biblioteca.sagrado.edu/>

REASONABLE ACCOMMODATION

For detailed information on the process and required documentation you should visit the corresponding office. To ensure equal conditions, in compliance with the ADA Act (1990) and the Rehabilitation Act (1973), as amended, any student in need of reasonable accommodation or special assistance must complete the process established by the Vice Presidency for Academic Affairs.

ACADEMIC INTEGRITY

This policy applies to all students enrolled at Universidad del Sagrado Corazón to take courses with or without academic credit. A lack of academic integrity is any act or omission that does not demonstrate the honesty, transparency, and responsibility that should characterize all academic activity. Any student who fails to comply with the

Honesty, Fraud, and Plagiarism Policy is exposed to the following sanctions: receive a grade of zero in the evaluation and / or repetition of the assignment in the seminar, a grade of F (*) in the seminar, suspension, or expulsion as established in the Academic Integrity Policy effective in November 2022.

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