

**FIN 4514/Spring
Security Analysis and Portfolio Management**

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Office Hours: Tuesdays 11am-12pm

Class Hours:
Tuesdays & Thursdays: 9:30am -10:45am; RBA 206

Course Objective: To understand the theory and practice aspects of portfolio construction and management. Advanced investment topics will be covered throughout the course, including option pricing, and futures contracts. Simulated trading will be implemented throughout the semester.

FSU COB General Skills Learning Goals:

1. Graduates will demonstrate the ability to think critically and manage risk and reward to solve global business problems.
2. Graduates will demonstrate the ability to use technology competently and effectively in global business applications.
3. Graduates will demonstrate in-depth knowledge of core business functions and be able to demonstrate the ability to integrate business functions in organizations.
4. Graduates will demonstrate the ability to communicate effectively, orally and in writing, individually and in teams.
5. Graduates will demonstrate an understanding of and sensitivity to culture, diversity, and professional and ethical responsibilities in business

Finance Degree Program Learning Goals (Macro-Finance):

Students will be able to demonstrate a broad understanding and strong working knowledge of financial markets, financial instruments, financial institutions, and global financial systems.

Recommended Textbook: Robert A. Strong, *Portfolio Construction, Management & Protection*, South-Western College Publishing.

Prerequisite: FIN 4504.

Communication: Students are strongly encouraged to take advantage of my office hours. In addition, you can call or email me to make appointments. If you are falling behind even when you come to classes and make reasonable efforts, let me know immediately.

Blackboard will be used to facilitate the interaction during the course. I will send out emails to your FSU account when necessary.

Class materials: The power points slides are available on BLACKBORAD at least 2 hours before the lectures start. The students are responsible for taking notes of extras materials and numerical examples discussed in class.

Exams: There are three exams. They are non-cumulative, although overlapping of materials is a certainty. The first exam will be on February 7 (in class), the second exam will be on March 9 (in class), and the third exam on April 20 (in class).

All three exams will be closed-books-and-notes, however, students can bring a 3” x 5” card. Each exam counts for 23 points in the overall grade. No make-up exam will be given unless proper documentation is provided.

Assignments: We are going to have a group project focusing on mock security trading, via stocktrak.com. Each group should have 2-4 people. Each week, the group will review & revise their portfolio. The group is responsible for logging their trading records throughout the semester, writing up a report, and making a brief presentation (about 8-10 minutes) at the end of the semester. Details will be discussed in class. This group project counts for 21 points in the overall grade. The written report is due by 5pm on May 3rd (Wednesday in final exam week).

There will also be at least six homework assignments. They are not mandatory, but will be very helpful for reviewing the materials and preparing for the exams.

Attendance: Class participation is important. Students are required to sign in at each class. Attendance is 10 points, i.e., 10% of the grade. I assign the attendance points as following: 10 if missing 0-1 class; 8 if missing 2 classes; 6 if missing 3 classes; and 0 if missing 4 or more classes.

Grades:

The breakpoints for the letter grades are as following: A—91 and above; A minus—88 to 90.9; B plus—85 to 87.9; B—82 to 84.9; B minus—79 to 81.9; C plus—76 to 78.9; C—71 to 75.9; C minus—66 to 70.9; D—60 to 65.9; F—less than 60. I reserve the right to adjust the students’ grades upward.

Policies:

1. The FSU Academic Honor Code applies in this class. Students are expected to be familiar with and abide by the [Student Academic Honor Policy](#) which outlines the University’s expectations for students’ academic work, and the [Student Conduct Code](#) which informs students about their rights and responsibilities as members of the

University community. In addition, the College of Business expects all members of its community to be familiar with and accept the moral norm of [responsible freedom](#) as outlined in the *FSU General Bulletin* and to adopt the [Seminole Creed](#).

2. Students with disabilities requiring academic accommodations should register with the Student Disability Resource Center (SDRC) and bring a letter from SDRC indicating that you need academic accommodations. This needs to be done within the first week of class.
3. No food or drink is allowed in the classroom, as required by the University.

Course Outline:

Topics

- 1. Introduction**
- 2. Useful Statistical Principles**
- 3. Portfolio Diversification Theory**
- 4. International Diversification**
- 5. Performance Evaluation**
- 6. Option Pricing**
- 7. Option Overwriting and Advanced Strategies in Option Trading**
- 8. Futures Contracts**
- 9. Single Stock Futures; Options on Futures**
- 10. Using Options and Futures to Hedge or Speculate**
- 11. Swaps**