

Econ 175 SYLLABUS (FALL 2001)

Foster, UCSD, September 14, 2001

Instructor and TAs

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Consultation: MWF, 11¹⁵ - 12³⁰ am, ECON 110C . . . <cfoster@weber.ucsd.edu>

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Course Information

- ID: Ec 175 Financial Investments (420745)
- Lectures: MWF, 8 - 8⁵⁰ am, CENTER 115
- Coverage: topics of interest to personal and professional investors -- consumer finance, portfolio theory, stocks, bonds, mutual funds.
- Prerequisites: principles of economics; calculus; statistics (Ec 120A).

Calendar

- Change grade option or drop w/o "W" thru F, 19 OCT
- Drop w/o "F" thru M, 26 NOV
- Holiday: Monday, 12 NOV (Veterans); ThF, 22-23 NOV (Thanksgiving)
- Midterms: Friday, 12 OCT; Wednesday, 7 NOV; both in class
- Final: W, 5 DEC, 8-11 am, CENTER 115 OR _____

Books and Materials

- Bodie, Kane, Marcus, *Investments*, 5th ed.,¹ Irwin-McGraw-Hill, 2002 [Bookstore]
- Recommended: Burton Malkiel, *A Random Walk Down Wall Street*, Norton, 1999
- Foster, Econ 175 Course Packet [Soft Reserves]

Examinations and Grading

Two midterms = 50 points each; cumulative final = 150 points; open book/notes. Grade review period = 1 week. No rescheduled or make-up exams. Cheating = F + memo to dean.²

Gr	Points
A+	84-99
B+	74-83
C+	63-73
D	55-62

OUTLINE/READING³

Grade Scale

PART I. UNDERSTANDING FINANCIAL SECURITIES

- TOPIC 1 - THE INVESTOR'S ENVIRONMENT ch. 1, 3
- TOPIC 2 - TIME VALUE OF MONEY lecture notes
- TOPIC 3 - DEBT SECURITIES \$2.1-2.2; ch.14, 16
- TOPIC 4 - INTEREST RATES ch. 5, 15
- TOPIC 5 - EQUITY SECURITIES & MUTUAL FUNDS \$2.3-2.5; ch. 4, 17-19

PART II. FINANCIAL THEORY & MARKET EQUILIBRIUM

- TOPIC 6 - RISK & RETURN \$5.2; ch. 6
- TOPIC 7 - CAPITAL MARKET EQUILIBRIUM lecture notes
- TOPIC 8 - MODERN PORTFOLIO THEORY ch. 7-8
- TOPIC 9 - ASSET PRICING MODELS ch. 9-11
- TOPIC 10 - MARKET EFFICIENCY ch. 12-13

¹You may use last year's 4th edition.

²I give multiple versions of exams. If you have the right work for someone else's version, you will be accused of copying.

³Chapters 14-19 contain detailed analysis of stocks and bonds. I intend to lecture on part of this material early in the course.