Course Outline for Business 44

INTRODUCTION TO INVESTMENTS

Catalog Description:

BUS 44 - Introduction to Investments 4.00 units
Application of investment principles and guidelines, including the various types of investments and asset classes. Securities markets, individual portfolio planning, basic risk and return considerations and basic investment alternatives, fundamental analysis, and a general overview of technical analysis. The course covers an overview of the corporate bond market, government securities, valuation of fixed-income securities, and investment companies. Course topics include basic calculations of the present and future time value of money and basic financial ratios. May not receive credit if Business 81 has been completed.

Strongly Recommended: Eligibility for MTH 65

Grading Option: Letter Grade

Discipline:

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<tr>
<th>Units</th>
<th>Contact Hours</th>
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<td></td>
<td>Week</td>
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<td>4.00</td>
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Lecture

Laboratory

Clinical

Total 4.00 4.00 70.00

Prerequisite Skills:
None

Measurable Objectives:

Upon completion of this course, the student should be able to:
1. Identify basic risks and rewards of various investment types;
2. Discuss how investment financial markets work;
3. Discuss the business of investments—the securities business, stock brokerage firms, and mutual fund companies;
4. Compare and contrast investment opportunities available in stocks, cash, commercial paper, notes, bonds, mutual funds, commodity contracts, future indexes, and commodities;
5. Research publicly available investment information;
6. Prepare basic investment recommendations for individuals in various investment situations;
7. Perform basic calculations for investment return and risk;
8. Perform basic present and future value calculations.

Course Content:

1. Overview of common investment situations
2. Equity and debt securities
3. Elementary risk and return considerations and guidelines
4. Services of stock brokerage firms
5. Services of Mutual Fund Companies
6. Averages and indexes
7. Publicly available sources of information
8. Elementary financial and technical statement analysis
9. Taxes considerations based on investment type
10. Stock and index options
11. Convertible securities, warrants, rights
12. Commodities
13. Portfolio Planning guidelines
14. Elementary present and future value calculations
15. Elementary risk and return calculations
16. Elementary investment return calculations

Methods of Presentation

1. Lecture/Discussion
2. Videos
3. Guest speakers
4. Internet research exercises

Assignments and Methods of Evaluating Student Progress

1. Typical Assignments
   A. Go to the Yahoo Finance website. Research a legacy airline such as Delta Airlines or United Airlines and a newer airline competitor such as Jetblue or Virgin America. Compare the two stocks as potential investments, utilizing criteria including price/earnings ratio, cash flow, risk, growth projections, and historical total return.
   B. Working in a team, provide an investment portfolio recommendation for a hypothetical individual with two children and $250,000 to invest at age 30. Provide a similar recommendation for this same individual at ages 40, 50 and 60. Support your
recommendations using portfolio management theory.

2. Methods of Evaluating Student Progress
   A. Exams/Tests
   B. Quizzes
   C. Case studies
   D. Projects
   E. Group Projects
   F. Final Examination

3. Student Learning Outcomes
   Upon the completion of this course, the student should be able to:
   A. Student will be able to conduct company analysis for investment purposes.
   B. Student will be able to create an investment portfolio for an individual.
   C. Student will be able to demonstrate comprehension of common investment terms

Textbooks (Typical):

Special Student Materials
1. Electronic Calculator

Abbreviated Class Schedule Description:

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