Syllabus

Course Information

Course: FIN 5560 Financial Modeling
Term: Fall 2011
Instructor: Dr. Nathan Mauck
Office: Bloch 230
e-mail: mauckna@umkc.edu
Class Meets: Wednesdays 7:00PM – 9:45PM
Office Hours: Monday 12:45 to 1:45, Wednesday 5:45 to 6:45, and by appointment
Classroom: Bloch – Room 8
Prerequisites: As stipulated in the UMKC general catalog

REQUIRED TEXT:

Quantitative Methods for Investment Analysis, Richard A. DeFusco, Dennis W. McLeavey, Jerald E. Pinto, and David E. Runkle, Wiley Finance, 2007.

OTHER REQUIREMENTS:

You must acquire a financial calculator. It is expected that you will already know how to use a financial calculator, if not it will be your responsibility to learn on your own.

COURSE OBJECTIVES:

The primary objective of this course is to introduce students to some of the fundamental quantitative methods used in investment analysis. The student should develop a working knowledge of measuring risk and return, probability theory, sampling and estimation, hypothesis testing, correlation analysis, regression and time series analysis. The course will emphasize experiential learning by applying these concepts to real data in a spreadsheet environment.

REQUIREMENTS:

1. **Exams:** You will have 1 mid-term exam and a non-comprehensive final covering the topics and materials discussed in the lectures. Each exam is worth 25 points.
2. **Projects:** You will be assigned a number of projects throughout the semester. Each project is designed to enhance your understanding of concepts presented in the lectures. More information on these projects will be provided in handouts throughout the semester. The primary objective of these projects is to evaluate both your writing skills and your understanding of the underlying concepts discussed in the course. Each project is worth 10 points for a total of 50 points (10 points X 5 projects). To assist in your learning process you will have the option to rework each project until you master the assignment. However, you will face a 1 point penalty (10%) for every iteration turned in to your instructor. In addition, each new iteration **must be** turned in during the next class period in order for credit to be earned. This policy will be strictly enforced.

ATTENDANCE POLICY:

Regular class attendance is strongly recommended. It is my goal to make attendance worth your while and the class projects and exams will be much more manageable if you are present for every class.

TEACHING PHILOSOPHY

I strongly believe that this is a subject that is better learned actively rather than in a passive lecture environment. As a result many of the lectures will be given in conjunction with related projects.

ADA POLICY

If you have any questions about a disability or desire accommodation under the Americans with Disabilities Act, please contact the Office of Disabled Services, 816-235-5696.

WRITTEN ASSIGNMENT POLICY:

All written assignments should utilize the bottom-line writing style and should be typewritten using double-spacing and 12pt fonts. **[NO HANDWRITTEN ASSIGNMENTS WILL BE ACCEPTED]** Remember, the bottom-line writing style does not free you from the responsibility of reporting all of the facts. Instead it provides you a style to display those facts efficiently.

It should also be noted that the contents of the UMKC student honor code regarding plagiarism and academic dishonesty will be strictly enforced on all assignments and exams. See www.umkc.edu for further information.

GRADING POLICY:

There will be no makeup exams given. If a student misses one of the mid-term exams, they will be allowed to replace that score with the score on a comprehensive make-up exam given the last week of the semester at the instructor's convenience. If a student misses more than one exam, a score of 0% will be assigned to each missed exam.

No late assignments will be accepted for full credit without consent of the instructor. Assignments will be considered one day late if not turned in by the beginning of class on the due date. The late penalty will be one letter grade per 24-hour period.

Grades will be assigned using the following scale: A= 90-100%, B= 80-89%, C= 70-79%, D= 60-69%, and F= any score below 60%. Plus/minus grades will be used in this course at the sole discretion of the instructor. Note that there are 100 points possible for the course.

As a general policy I do not post end of semester grades. You can check your grade on Pathway as soon as it is posted. Please wait to use this service for checking your grade. I will not disclose any grades via e-mail or telephone.

INCLEMENT WEATHER POLICY:

I will follow inclement weather policy established by the UMKC Central Administration. Announcements will be posted on the UMKC homepage.

BLACKBOARD:

All class handouts will be distributed via the Blackboard website. It is the student's responsibility to retrieve handouts prior to each class meeting.

BLOCH SCHOOL SUPPORT SERVICES

- Bloch School Computer Lab: The Bloch School Computer Lab is available for your use. It is located in Bloch 110; the lab's website is: http://www.umkc.edu/is/oa/IS-Lab-Brochure.pdf

- Bloch School Tutoring Center: The Bloch School Tutoring Center is currently equipped to assist students who need help in the following courses: ACTG 210 and 211; FIN 325. The Center is located in Bloch 202; operating hours are posted on the room's door.

- Bloch School Communications Center: Students who desire assistance with professional writing and presentation skills may contact the Bloch Communications Center. Communication coaches are available for proofreading, editing and brainstorming help. The Center is located in room 201; drop-in appointments are welcome.

WEIGHTING OF ASSIGNMENTS:

Exam 1	25%
Exam 2	25%
Projects (Each worth 10%)	50%
Total	100%

TENTATIVE COURSE OUTLINE:

Class	Topic	Date	Project Due	Reading Assignment
1	Course Introduction; Spreadsheet Modeling	8/24		Chap 1,2,3
2	Spreadsheet Modeling/ Calculating Returns	8/31		Chap 3
3	Calculating Returns	9/7		Chap 3
4	Measuring Dispersion	9/14	Project 1	
5	Probability Concepts	9/21		Chap 4
6	Probability Distributions	9/28	Project 2	Chap 5
7	Monte Carlo Simulation	10/5		
8	Sampling and Estimation	10/12	Project 3	Chap 6
9	Exam 1	10/19		
10	Review Exam 1; Hypothesis Testing	10/26		Chap 7
11	Correlation and Covariance	11/2		Chap 8
12	Regression Modeling	11/9	Project 4	
13	Multiple Regression	11/16		Chap 9
14	Time-Series Analysis	11/30		Chap 10
15	ARCH/GARCH Modeling	12/7	Project 5	
16	Final Exam	12/14 (8pm)		

It should be noted that this is an extremely tentative outline. I reserve the right to make changes at my own discretion. However, this should provide you with an idea of the goals I have for this class.