



Course Description

FIN2010 | Investments in Stocks and Bonds | 3.00 credits

This course teaches the basic principles of the stock market as they affect the individual investor in stocks and bonds. Investment in these securities is studied from the standpoint of the short-term and long-term investors.

Course Competencies:

Competency 1: The student will be able to demonstrate an understanding of the structure, operation, and regulation of the financial markets by:

1. Differentiating between the short-term money market and the long-term capital market
2. Describing the main features of the securities laws and explaining the functions of the federal agencies involved in securities industry regulation
3. Explaining the concept of liquidity, and why it is important to investors
4. Describing and differentiating among types of securities
5. Interpreting market indicators, averages and indexes
6. Explaining the various types of market transactions including buying on margin, short sales, limit and market orders
7. Explaining bid-ask spreads and their importance to the investor

Competency 2: The student will be able to demonstrate knowledge of the concept of market efficiency by:

1. Explaining the efficient market hypothesis and its three forms, strong, semi-strong and weak
2. Describing how the random walk concept relates to market efficiency
3. Identifying some of the major types of market anomalies and explaining how they relate to market efficiency
4. Describing how investor psychology influences the market

Competency 3: The student will be able to demonstrate knowledge of equity security investing by:

1. Discussing the value approach to equity investing
2. Discussing the growth approach to equity investing
3. Applying the value and growth approaches to identify potential investments
4. Describing some of the main tools of technical analysis
5. Discussing the value of technical analysis and how it relates to the efficient market hypothesis

Competency 4: The student will be able to demonstrate knowledge of debt securities by:

1. Differentiating among types of corporate and government debt securities
2. Explaining when and why some bonds are issued with convertibility, warrants attached, call features and other special features
3. Explaining the relationship between market price and rate of interest for different types of securities
4. Interpreting bond ratings and bond quotes

Competency 5: The student will develop security analysis skills by:

1. Describing the major forces that drive the economy
2. Describing the relationship of economic factors and changes in security market prices
3. Identifying industries in the different phases of the industry life cycles
4. Evaluating companies' financial condition through financial statement analysis
5. Differentiating between technical analysis and fundamental analysis

Competency 6: The student will be able to demonstrate knowledge of mutual funds by:

1. Explaining how mutual funds work and identifying their advantages and disadvantages
2. Evaluating mutual fund performance and discussing how costs influence returns
3. Describing the different types of mutual funds
4. Explaining the use of diversification to reduce risk

Learning Outcomes:

- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Demonstrate knowledge of ethical thinking and its application to issues in society
- Use computer and emerging technologies effectively