

**Dickinson College**  
**INBM 300-05/06: Investments**  
**Fall 2023**

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**Instructor:** Prof. Mengnan Zhu, PhD, PMP

**Email:** [zhum@dickinson.edu](mailto:zhum@dickinson.edu)

**Office Hours:** Tuesdays & Fridays 10 – noon @ Althouse 218. Otherwise by appointment.

**Class Meets:** Tuesdays & Fridays @ Althouse 207:

Section 05: 13:30 – 14:45

Section 06: 15:00 – 16:15

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**Prerequisite (Not Required)**

I strongly recommend taking *INBM 110 Fundamentals of Accounting* and/or *INBM 250 Finance* prior to (or concurrently with) this course. They are not required this year.

**Course Overview and Planning**

This course aims to develop comprehensive understanding of key investment theories and concepts from a practical perspective, using real-life examples to enhance learning. Its focus lies in the application of investment knowledge across various roles, including individual investors, portfolio managers, research analysts, or financial institutions.

The course sets off by exploring the fundamental principles of investment in financial markets, providing a solid groundwork for subsequent in-depth discussions. Participants will then delve into an array of topics vital to their success in the investment field, such as the evolving role of investment in the market dynamics, investors' decision-making process, determinants of the risk-return portfolio, asset valuation and allocation, and understanding of current issues and debates in financial markets. Each year, we will cover one special topic that address contemporary issues. This year's topic is "Sustainable Investments." Please refer to the Appendix for details.

While prior knowledge of finance concepts and intermediate Excel skills are preferred, the course is open to learners from diverse backgrounds, allowing them to gain valuable expertise in the world of investments.

I will not strictly maintain a steady pace through topics as some of the materials are easily handled by assigned readings and class discussion, while others will be developed in more details in class. Participants will be expected to read relevant chapters in advance and complete assignments afterwards. Class time will focus on developing and exploring the more subtle and quantitative topics, as well as clarifying ambiguities. It is also strongly recommended to read and keep up with financial news and events. This class may be recorded for accommodation purposes. A preliminary course schedule is provided on the last page of this syllabus.

### **Course Materials**

- **Textbook:** Bodie, Kane, Marcus, *Essentials of Investments, 12<sup>th</sup> Edition*, McGraw-Hill Education (ISBN-13: 978-1264140251; ISBN-10: 1264140258). Previous editions and electronic versions can also be used only if you will be responsible for assuring the correct materials are studied, and correct homework exercises completed.
- **HBS Cases:** [Please use this link to purchase assigned case studies. \(link\)](#)
- **Lecture Notes and Additional Readings:** Will be either handed out in class or electronically distributed via Moodle or email.
- **Useful Resources:** Dickinson library provides many online newspaper subscriptions that are free to current students. It is highly recommended to sign up for at least one news source to stay informed about the business/finance world. If you prefer some more enjoyable financial news, I recommend this free newsletter (Be aware of sponsored content, though).
  - *Wall Street Journal:* <https://libguides.dickinson.edu/specialaccess/WSJ>
  - *Financial Times:* <https://libguides.dickinson.edu/specialaccess/financialtimes>
  - *Morning Brew Newsletter:* <https://www.morningbrew.com/daily>

### **Course Activities and Grade Distribution**

- **(5%) Class Attendance:**

Since the topics we covered closely connect to each other, attendance is extremely important. I strongly recommend that you attend every class. Attendance will be taken in random classes without prior notice. Up to **Two (2)** unexcused absences will have no impact on the final grade.

- **(20%) Case Studies using Excel:**

There will be **Two (2)** HBS case studies with assigned questions. Each group is expected to answer the questions using Excel and submit one electronic version of solutions for each case via Moodle. This is a group activity.

- **(20%) Problem Sets:**

**Four (4)** problem sets will be assigned. Electronic version of complete problem set must be turned in via Moodle at the beginning of the class on the due date. This is an individual activity.

- **(21%) In-class Quizzes:**

There will be **Eight (8)** in-class, close-book quizzes that take place at the beginning of the scheduled dates. Hard copy of each completed quiz must be turned in. No make-up or late submission is allowed. Out of all quizzes, Seven (7) top-scored ones will be counted towards your overall evaluation. This is an individual activity.

- **(34%) In-class Exams:**

There will be **Two (2)** in-class, close-book exams that take place around the midpoint and end of the schedule, respectively. Each exam will contain new materials covered by that time. Although those exams are non-cumulative in design, questions may require understanding of basic concepts previously covered. You may bring one-page note (letter size, single-sided), on which you may write, type, print or copy any material that you think may be relevant and helpful to you. The total grade for this part will be the higher of:

- (i) 17% of Exam #1 plus 17% of Exam #2 and,
- (ii) 10% of Exam #1 plus 24% of Exam #2.

### **General Policy on Grading**

1. You are allowed and encouraged to discuss course material (including problem sets) with other students. However, you are expected to turn in your own individual assignments, and list all collaborators in your assignments if any. Identical answers violate this policy and may receive no credit or occasion disciplinary action.
2. In fairness to students who complete assignments on time, late submission may be accepted with 20% penalty per day. Late submission will not be accepted once the solution is posted, or the grading is completed. Excuse will be granted only when official documentation or proof is provided.

3. If you would like to have something re-graded and/or discussed, you will have one week after the assignment or exam was returned to make your request in writing. There will be no substitution or make-up option for any missed or unsatisfied assignment and exam.
4. Overall letter grade for this course will be converted using percentage grade based on the scale below:

<b>Letter Grade Conversion Scale</b>			
<b>A</b>	93-100%	<b>C</b>	73-76%
<b>A-</b>	90-92%	<b>C-</b>	70-72%
<b>B+</b>	86-89%	<b>D+</b>	66-69%
<b>B</b>	83-85%	<b>D</b>	63-65%
<b>B-</b>	80-82%	<b>D-</b>	60-62%
<b>C+</b>	77-79%	<b>F</b>	0-59%

### **Accommodating Students with Disabilities (Fall 2023)**

Dickinson values diverse types of learners and is committed to ensuring that each student is afforded equitable access to participate in all learning experiences. If you have (or think you may have) a learning difference or a disability – including a mental health, medical, or physical condition– that would hinder your access to learning or demonstrating knowledge in this class, please contact Access and Disability Services (ADS). They will confidentially explain the accommodation request process and the type of documentation that Dean and Executive Director Marni Jones will need to determine your eligibility for reasonable accommodations. To learn more about available supports, go to [www.dickinson.edu/ADS](http://www.dickinson.edu/ADS) , email [access@dickinson.edu](mailto:access@dickinson.edu) , call (717)245-1734, or go to the ADS office in Room 005 of Old West, Lower Level (aka "the OWLL").

If you've already been granted accommodations at Dickinson, please follow the guidance at [www.dickinson.edu/AccessPlan](http://www.dickinson.edu/AccessPlan) for disclosing the accommodations for which you are eligible and scheduling a meeting with me as soon as possible so that we can discuss your accommodations and finalize your Access Plan. If you will be using any test-taking accommodations in this class, be sure to enter all test dates into your Access Plan in advance of our meeting. ADS will be happy to provide any assistance you may need.

**Physical Access (to the Classroom / to My Office)**

This class meets at **Althouse 207**, and my office is located at **Althouse 218**. Both rooms are located on the second floor of Althouse, which has an elevator available to the right of the main entrance. If you require assistance to use the elevator, please let me know, and be sure that ADS ([access@dickinson.edu](mailto:access@dickinson.edu)) knows as well. If there is ever a malfunction with the elevator, we will be notified by email, and I will consult with ADS to identify our options for that day.

**Electronics in the Classroom**

**Laptop use is by permission only.** Cellphones are not permitted and should be silenced or off. It is distracting to other students and to me, the instructor, thus impacting the learning environment. Until recently, this was intuitive speculation. [But now research shows it.](#) If you have any related accommodation requests, please let me know, and I will gladly arrange a solution.

**SOAR: Academic Success Support and More**

Students can find a wealth of strategic academic success tools (like weekly planners, semester calendars, and much more) by going online to [www.dickinson.edu/SOAR](http://www.dickinson.edu/SOAR) or to Old West's Lower Level (aka "the OWLL"). SOAR stands for Strategies, Organization, & Achievement Resources, and there you'll find apps, tips, and other resources related to organization, study skills, memory strategies, note-taking, test-taking, and more. You'll find strategies for managing your time and well-being, as well as information about academic success workshops offered throughout the semester. If you'd like to attend a workshop or request one-on-one assistance with developing a strategy for a manageable and academically successful semester, email [SOAR@dickinson.edu](mailto:SOAR@dickinson.edu).

**Appendix**

- Course Schedule (preliminary)
- Special Topic – Sustainable Investments
- Stock Investment Competition (TBA)

## Course Schedule

(All deliverables and due dates are subject to change.)

Weeks (Classes)	Topics	Chapters	Deliverables (before noon on date due)
Week 1 (8/29, 9/01)	Introductions; Assets and Financial Instruments	1, 2	
Week 2 (9/05, 9/08)	Securities Markets	2, 3	
Week 3 (9/12, 9/15)	Investment Companies	4, 20	Quiz#1→9/12
Week 4 (9/19, 9/22)	Risk and Return	5	Quiz#2→9/19 PS#1→9/22
Week 5 (9/26, 9/29)	Diversification	6, 19	Quiz#3→9/26
Week 6 (10/03, 10/06)	CAPM/APT; Efficient Market Hypothesis	7, 8	Quiz#4→10/03
Week 7 ( <b>10/10</b> , 10/13)	<b>Exam #1 (in-class)</b>	<b>All topics covered since beginning</b>	
	Investors and Investment Process	22	PS#2→10/13
Week 8 ( <del>10/17</del> , 10/20)	HBS: Portfolio Management	Case #1	Case#1→10/20
Week 9 (10/24, 10/27)	Investment Evaluation	18	
Week 10 (10/31, 11/03)	Equity Valuation	13	Quiz#5→10/31
Week 11 (11/07, 11/10)	Derivative Markets; HBS: Capital Investments	15, Case#2	Quiz#6→11/07 Case #2→11/10
Week 12 (11/14, 11/17)	Option Strategies and Valuation; Futures Markets	16, 17	Quiz#7→11/14 PS#3→11/17
Week 13 (11/21, <del>11/24</del> )	Financial Statement Analysis	14	Quiz#8→11/21
Week 14 (11/28, 12/01)	Debt Securities	10	PS#4→12/01
Week 15 (12/05, <b>12/08</b> )	Special Topic: Sustainable Investment	Guest	
	<b>Exam #2 (in-class)</b>	<b>All topics covered since Exam #1</b>	
<i>Final Exam Week</i>	<i>There is No Scheduled Final Exam</i>		

## **Special Topic – Sustainable Investments**

The world faces numerous environmental and social challenges, such as climate change, resource depletion, and social inequality. A special topic on sustainable investments complements traditional finance education. The goal is to help students develop a more comprehensive understanding of the financial landscape, considering financial metrics and broader societal and environmental impacts. Throughout the discussion, students should be able to achieve the following learning outcomes:

- Think critically about how sustainability can be considered in the investment decision-making process of corporations and individual investors.
- Analyze and evaluate the impacts of sustainable investment from the three core notions: economic, social, and environmental.
- Engage in meaningful conversations and debates on tensions and challenges among stakeholders in sustainable investment practices.

We start with building awareness by exploring the graphical representation of sustainability. Then, our focuses shift to identifying feasible, sustainable options and exploring modifications in current evaluation models. Lastly, we investigate contrasting viewpoints and complex ethical dilemmas through debates. There is no closely matched textbook for this special topic. However, related readings and supporting materials will be posted on course website. Guest speakers and field trips may be arranged depending on the availability.