

## 381355: Investments in Personal Financial Planning

MGMT-X 430.32

Summer 2021 Section 1 4 Credits 06/23/2021 to 09/01/2021 Modified 06/24/2021

### Description

An examination of the role of various investment vehicles in meeting financial goals, securities markets, sources of information about the various instruments traded, and the procedure of trades. This course introduces various market theories, including modern portfolio theory and the extension to this theory by Markowitz and Sharpe. Other topics include the analysis of business cycles; market analysis; analysis of individual companies; the market in debt instruments; and alternative instruments, including options, warrants, convertibles, commodity futures, mutual funds, and tangibles.

### Objectives

A major objective of this class is to help students understand the financial concepts and investment products summarized above in the Course Description at the high level of comprehension needed to pass the CFP exam. In addition, and more important, the class provides training in the analytical skills and techniques needed by students who seek a career providing professional personal investment planning guidance and services. Accordingly, this class attempts to give students an opportunity to master the tools needed to help their future clients reach their financial goals and maintain their financial quality of life in retirement.

### Outcomes

As a result of taking and successfully completing this course, students should be able to:

- Describe the theory and applications of quantitative measures of investment asset returns, correlations, risk, and risk-adjusted performance.
- Discuss the concepts of investment theory including the application of asset pricing models and efficient portfolio construction.
- Explain the theory and methods for calculating the intrinsic values of stocks and bonds.
- Apply the measures used to analyze fixed-income securities including duration, immunization, and the relationships between Yield to Maturity, Reinvestment Rate Risk and realized returns.
- Understand the important role of uncertainty in investments and analyze the characteristics of, and information provided by, probability distributions.
- Demonstrate the fundamentals and uses of options, option strategies and futures.
- Discuss the characteristics, uses and taxation of investment vehicles.
- Examine market mechanics including history, regulations and transaction types.
- Use the principles of fundamental analysis and corporate financial statement analysis.

### Materials

#### Investments: An Introduction

**Author:** Herbert B. Mayo

**Publisher:** Cengage

**Edition:** 13th

**ISBN:** 978-0-357-12795-7

The 13th edition of the course textbook is required. No earlier edition of the text is acceptable for this course.

# Hewlett Packard 12C financial calculator

Required

## Recommended Readings

*The Assent of Money: A Financial History of the World*, by Niall Ferguson. Published by Penguin Press HC.

*Ahead of the Curve: A Commonsense Guide to Forecasting Business and Market Cycles*, by Joseph H. Ellis. Published by Harvard Business School Press.

*Basic Economics – A Common Sense Guide to the Economy*, by Thomas Sowell. Published by Basic Books.

*Getting Off Track – How Government Actions and Interventions Caused, Prolonged, and Worsened the Financial Crisis*, by John B. Taylor. Published by Hoover Institution Press, Stanford University.

*Fundamentals of Futures and Options Markets*, 9th Edition, by John C. Hull. Published by Pearson.

*Animal Spirits: How Human Psychology Drives the Economy and Why It Matters for Global Capitalism*, by George A. Akerlof and Robert J. Shiller. Published by Princeton University Press.

*Thinking, Fast and Slow*, by Daniel Kahneman. Published by Penguin Books Limited.

*Stocks for the Long Run*, Fifth Edition, by Jeremy J. Siegel. Published by McGraw-Hill.

*A Random Walk Down Wall Street*, by Burton G. Malkiel. Published by W. W. Norton & Co.

*Capital Ideas Evolving*, by Peter L. Bernstein. Published by John Wiley & Sons, Inc.

*The Little Book of Alternative Investments*, by Ben Stein and Phil DeMuth. Published by John Wiley & Sons, Inc.

## Deliverables

Below is a table listing of the deliverables for the class. The deliverables must be completed and submitted by the due dates. If you can't attend class, contact me prior to the class and make arrangements to turn in assignments that are due by e-mailing the assignment to me or uploading it on Canvas.

Since the schedule of deliverables is well known ahead of time, there will be no credit for deliverables submitted after the due date. For more information about specific deliverables, refer to the Canvas Module where each deliverable is described or available.

Deliverable	Subject	Due Date
Quiz 1	Basic Skills Test (Online)	June 27, 2021
Quiz 2	Time Value in Investments (Online)	July 7, 2021
Quiz 3	Returns Calculations (Online)	July 14, 2021
Midterm Exam	Take Home Exam (Online)	August 4, 2021
Quiz 4	Technical Interview Quiz (Online)	August 11, 2021
Quiz 5	Options (Online)	August 18, 2021
Bedo Case	Client Letter	August 25, 2021
Quiz 6	Case Study (Online)	August 25, 2021
Final Exam	Comprehensive (Online)	Sept. 1, 2021

## ✓ Evaluation

Course grades will be based on weighted quizzes, case assignment and exams as shown below.

All course grades are final. There will be no extra credit projects.

### Criteria

Type	Weight	Topic	Notes
Quizzes	15%		6 Quizzes
Bedo Case	10%		Required to Pass Course
Midterm Exam	30%		Take Home Exam
Final Exam	45%		Online Comprehensive Exam

### Breakdown

Grade:	Range:	
A+	100 %	to 98.0%
A	< 98.0 %	to 93.0%
A-	< 93.0 %	to 90.0%
B+	< 90.0 %	to 88.0%
B	< 88.0 %	to 83.0%
B-	< 83.0 %	to 80.0%
C+	< 80.0 %	to 78.0%
C	< 78.0 %	to 73.0%
C-	< 73.0 %	to 70.0%
F	< 70.0 %	to 0.0%

## \* Course Policies

### Required Prerequisite Course

The required prerequisite for this course is Financial Analysis in Personal Financial Planning offered by the UCLA Extension as part of the Personal Financial Planning program. It is unlikely that another course covering financial analysis topics is an acceptable alternative to this course. You must obtain the approval of the Instructor to take Investments in Personal Financial Planning without having successfully completed the specific prerequisite course.

### Take-Home and Online Assignments

**Students are required to work independently on the Bedo Case assignment, take-home Midterm Exam and online quizzes and Final Exam.**

**Do not collaborate with, or otherwise seek or obtain assistance from, anyone else in completing these assignments. Your answers should reflect only your work and no one else's.**

## Planning Your Study Time

To plan your study time, it is estimated that you will spend **3 hours per week "in class"** with the instructor and approximately **7 additional hours per week outside of class** studying for exams, reading, and completing assignments. Depending on the extent of your academic preparation and recent college-level coursework in this subject area, the amount of study time needed may vary considerably.

## Class Attendance

This course starts quickly and we cover a lot of material during the quarter. You should not enroll in the class a week or two after the first class meeting. You are expected to attend and participate in our scheduled **on ground and online class meetings**.

Missing one or two class meetings during the quarter may not be a problem as long as you can make up the work, and study the lecture material, you missed. You should get to know other students in the class and develop a collegial relationship that allows you to share notes and discuss the lecture material covered during a class you miss, and visa versa.

Missing three class meetings may reduce your course grade by as much as one full letter grade. It will be up to the instructor to determine how much your grade will be reduced if you miss three class meetings.

Missing more than three class meetings will result in a failing grade for the class. If you expect to miss three or more class meetings, you should discuss the reasons for doing so with the instructor or take another class.

## Cell Phones and Mobile Communication Devices

All cell phones, smart phones, or other mobile communication devices must be on silent mode and may not be used during our class sessions. You must leave the virtual or physical classroom if you need to take or make a call, text message, read or write e-mails, browse the web, tweet, etc.

## Institutional Policies

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### Student Conduct

Students are subject to disciplinary action for several types of misconduct or attempted misconduct, including but not limited to dishonesty, such as cheating, multiple submission, plagiarism, or knowingly furnishing false information to the University; or theft or misuse of the intellectual property of others or violation of others' copyrights. Students are encouraged to familiarize themselves with policy provisions which proscribe these and other forms of misconduct at:

<https://www.uclaextension.edu/pages/str/studentConduct.jsp> (<https://www.uclaextension.edu/pages/str/studentConduct.jsp>)

### Services for Students with Disabilities

In accordance with the Americans with Disabilities Act of 1990, UCLA Extension provides appropriate accommodations and support services to qualified applicants and students with disabilities. These include, but are not limited to, auxiliary aids/services such as sign language interpreters, assistive listening devices for hearing-impaired individuals, extended time for and proctoring of exams, and registration assistance. Accommodations and types of support services vary and are specifically designed to meet the disability-related needs of each student based on current, verifiable medical documentation. Arrangements for auxiliary aids/services are available only through UCLA Extension's Office for Students with Disabilities at (310) 825-0183 or by email at [access@uclaextension.edu](mailto:access@uclaextension.edu). For complete information see: <https://www.uclaextension.edu/pages/str/studentswithDisabilities.jsp> (<https://www.uclaextension.edu/pages/str/studentswithDisabilities.jsp>)

### Incompletes

Your instructor may post the interim grade *Incomplete/I* if at the end of the class your overall work is of passing quality but a portion could not be submitted for understandable reasons (e.g. illness). It is your responsibility to petition your instructor for permission to submit work late and to provide an explanation, and it is his or her sole decision whether to accept the explanation. If permitted, the *Incomplete/I* grade will be posted and a time frame defined for you to submit the missing work, ranging from one to twelve weeks. *Incomplete/I* grades that remain unchanged after twelve weeks will lapse to *F*, *NP* or *U*. Receiving an *I* grade entitles you to submit only the missing work your instructor has agreed to accept late, and does not allow other work to be retaken

or oblige UCLA Extension to provide continuing access to course materials via Canvas. The *Incomplete/I* grade is not an option for courses that do not bear credit, such as 700, 800, or 900-level courses. For complete information, see:

<https://www.uclaextension.edu/pages/str/grading.jsp> (<https://www.uclaextension.edu/pages/str/grading.jsp>)

## All Grades are Final

No change of grade may be made by anyone other than the instructor, and then, only to correct clerical errors. No term grade except Incomplete may be revised by re-examination. The correction of a clerical error may be authorized only by the instructor of record communicating directly with personnel of Student and Alumni Services.

## Sexual Harassment

The University of California is committed to creating and maintaining a community where all individuals who participate in University programs and activities can work and learn together in an atmosphere free of harassment, exploitation, or intimidation. Every member of the community should be aware that the University prohibits sexual harassment and sexual violence, and that such behavior violates both law and University policy. The University will respond promptly and effectively to reports of sexual harassment and sexual violence, and will take appropriate action to prevent, to correct, and when necessary, to discipline behavior that violates our policy.

All Extension students and instructors who believe they have been sexually harassed are encouraged to contact the Department of Student and Alumni Services for complaint resolution: UCLA Extension, Suite 113, 10995 Le Conte Ave., Westwood; Voice/TTY: (310) 825-7031. View the University's full Policy on Sexual Harassment and Sexual Violence at <http://policy.ucop.edu/doc/4000385/SHSV> (<http://policy.ucop.edu/doc/4000385/SHSV>).

## Additional Items

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### Protecting Privacy and Data During Live Instruction

Live meeting sessions for this class, when applicable, are being conducted over Zoom. As the host, the instructor may be recording live sessions. Only the host has the ability to record meetings, no recording by other means is permitted. Recorded sessions will be posted in the Videos area of this class unless otherwise notified. Due to privacy, recordings are not available for download and are only accessible via Canvas for the duration of the class. If you have privacy concerns and do not wish to appear in the recording, do not turn on your video and/or audio. If you also prefer to use a pseudonym instead of your name, please let the instructor know what name you will be using so that the instructor knows who you are during the session. To rename yourself during a Zoom meeting, click on Participants, click on your name, click on More, click on Rename. If you would like to ask a question, you may do so privately through the Zoom chat by addressing your chat question to the instructor only (and not to "everyone"). Additionally, chat may be used and moderated for live questions, and saving of chats is enabled. If you have questions or concerns about this, please contact the instructor via Canvas Inbox.

Pursuant to the terms of the agreement between Zoom and UCLA Extension, the data is used solely for this purpose and Zoom is prohibited from re-disclosing this information. UCLA Extension also does not use the data for any other purpose. Recordings will be deleted when no longer necessary. However, recordings may become part of an administrative disciplinary record if misconduct occurs during a video conference.

### Course and Instructor Evaluation

UCLA Extension values your feedback on course and instructor evaluations. We ask all students to take a few minutes to complete an end-of-course evaluation survey. Updates to the course and instruction are influenced by your feedback. Understanding your student experience is essential to ensure continuing excellence in the online classroom and is appreciated by your instructor and the UCLA Extension academic leadership.

Your participation in a survey is voluntary, and your responses are confidential. After instructors submit grades, they will be given an evaluation report, but this report will not contain your name.

### About Your Online Course Materials

Please note the following about online course components at UCLA Extension:

- Students must have basic computer skills, including the use of word processing software, email, and the ability to use internet browsers, such as Safari, Firefox, or Chrome.
- Students are responsible for meeting the technical requirements of Canvas and familiarizing themselves with the Canvas Learning Management System.
  - What are the basic computer specifications for Canvas? <https://guides.instructure.com/m/4214/l/82542-what-are-the-basic-computer-specifications-for-canvas> (<https://guides.instructure.com/m/4214/l/82542-what-are-the-basic-computer-specifications-for-canvas>)
  - Which browsers does Canvas support? <https://guides.instructure.com/m/67952/l/720329-which-browsers-does-canvas-support> (<https://guides.instructure.com/m/67952/l/720329-which-browsers-does-canvas-support>)
- Students are responsible for keeping a copy of all assignments and work submitted, and to be aware of all assignments, due dates, and course guidelines.
- Students are encouraged to keep and/or download a local copy of their assignment files, as access to the online environment of a specific course is limited to 30 days after the final course date, as listed in the course catalog.

If you need assistance downloading student materials from your course, please contact Canvas Support or the UCLA Extension Learning Support Team.

## UCLA Extension Canvas and Learning Support

For immediate 24/7 Canvas technical support, including holidays, click on Help (located on the menu to the left) where you can call or chat live with a Canvas Support representative.

### UCLA Extension Instructional Design and Learning Support

The UCLA Extension Learning Support staff assists both students and instructors with Canvas-related technical support, as well as general and administrative questions.

Learning Support staff is available Monday through Friday, from 8 AM to 5 PM (Pacific Time), except holidays:

- Email: [support@unexonline.zendesk.com](mailto:support@unexonline.zendesk.com)
- Website: <http://support.uclaextension.edu> (<http://support.uclaextension.edu/>)

## Campus Safety Escorts

For students taking classes held on the UCLA campus and in and around Westwood Village, the UCLA Police Department provides a free walking escort service every day of the year from dusk until 1 a.m. Community Service Officers (CSOs) are available to walk students, faculty, staff members and visitors to and from anywhere on campus, in Westwood Village, and in the village apartments. CSOs are uniformed students who have received special training and are employed by the UCLA Police Department. To obtain an escort, please call (310) 794-9255 and allow 15 to 20 minutes for your escort to arrive. For complete information, see: <https://www.ucpd.ucla.edu/services/community-service-officers-csos/evening-escorts> (<https://www.ucpd.ucla.edu/services/community-service-officers-csos/evening-escorts>)

## Schedule

Notes to Course Schedule	<p>Assigned Readings and Review of Problem Solutions:</p> <p>Weekly Assigned Readings and Review of End of Chapter Problem Solutions should be completed <b>BEFORE CLASS MEETS</b> on the dates shown in the Course Schedule below.</p>
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When	Module Title	Notes
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When	Module Title	Notes
<b>ONLINE</b> Week 1 06/23/2021 6:00 PM - 9:00 PM ZOOM	Introduction and Course Overview	<ol style="list-style-type: none"> <li>1. Introduction to the Course</li> <li>2. Review Course Syllabus &amp; Schedule</li> <li>3. Getting Started Slides – Market Mechanics</li> <li>4. Reading: Course text Chapters 1 and 2</li> <li>5. Recommended Readings: See Week 1 Course Documents on Canvas</li> <li>6. Review End of Chapter Problems and Solutions*               <ul style="list-style-type: none"> <li>◦ Chapter 2 (Problems: 1,2,7)</li> <li>◦ Chapter 3 (Problems: 1 through 27. This is a review of material that was covered in Financial Analysis.)</li> </ul> </li> <li>7. Problem Set 1 Available for Review</li> <li>8. <b>Quiz 1: Basic Skills Test</b></li> </ol>
<b>ONLINE</b> Week 2 06/30/2021 6:00 PM - 9:00 PM ZOOM	Understanding Risk and Returns	<ol style="list-style-type: none"> <li>1. Reading: Course text Chapter 4, 9 (pp. 324-337), and 11 (pp. 411-419)</li> <li>2. Review End of Chapter Problems and Solutions*               <ul style="list-style-type: none"> <li>◦ Chapter 4 (Problems: 2,3,4,7)</li> <li>◦ Chapter 9 (Problems: 1,2,3,4,5,6,7)</li> <li>◦ Chapter 11 (Questions: 1,2,3,4,5,6,7,8)</li> </ul> </li> <li>3. Recommended Readings: See Week 2 Course Documents on Canvas</li> </ol>
<b>ONLINE</b> Week 3 07/07/2021 6:00 PM - 9:00 PM ZOOM	Statistical Tools and Modern Portfolio Theory	<ol style="list-style-type: none"> <li>1. Reading: Course text Chapter 5 and Appendix 5</li> <li>2. Review End of Chapter Problems and Solutions*               <ul style="list-style-type: none"> <li>◦ Chapter 5 (Questions: 4,9; Problems: 2,3,4,5,6,7,8)</li> </ul> </li> <li>3. Recommended Readings: See Week 3 Course Documents on Canvas</li> <li>4. Problem Set 2 Available for Review</li> <li>5. <b>Quiz 2: Time Value in Investments</b></li> </ol>
<b>ONLINE</b> Week 4 07/14/2021 6:00 PM - 9:00 PM ZOOM	Valuation of Equity Securities	<ol style="list-style-type: none"> <li>1. Reading: Course text Chapters 6 (pp. 225-235), 8 (pp. 271-288), 9 (pp. 337-347)</li> <li>2. Review End of Chapter Problems and Solutions*               <ul style="list-style-type: none"> <li>◦ Chapter 6 (Questions: 8,11,12; Problems: 4,5,6)</li> <li>◦ Chapter 8 (Questions: 4,5,7; Problem: 1)</li> </ul> </li> <li>3. Recommended Readings: See Week 4 Course Documents</li> <li>4. <b>Quiz 3: Returns Analysis</b></li> </ol>
<b>ONLINE</b> Week 5 07/21/2021 6:00 PM - 9:00 PM ZOOM	Security Analysis and Time-Weighted Returns	<ol style="list-style-type: none"> <li>1. Reading: Course text Chapters 10, 8 (pp. 288-310)</li> <li>2. Review End of Chapter Problems and Solutions*               <ul style="list-style-type: none"> <li>◦ Chapter 10 (Problems: 5,6,7,12,13,14,17,19)</li> <li>◦ Chapter 8 (Problems: 2,4,8,11)</li> </ul> </li> <li>3. Recommended Readings: See Week 5 Course Documents</li> </ol>
<b>ONLINE</b> Week 6 07/28/2021 6:00 PM - 9:00 PM ZOOM	Technical Analysis, Behavioral Finance and the Bond Market	<ol style="list-style-type: none"> <li>1. Reading: Course text Chapters 12,13</li> <li>2. Review End of Chapter Problems and Solutions*               <ul style="list-style-type: none"> <li>◦ Chapter 13 (Question: 3; Problems: 1,2)</li> </ul> </li> <li>3. Midterm Exam handed out</li> </ol>
<b>ONLINE</b> Week 7 08/04/2021 6:00 PM - 9:00 PM ZOOM	Review Bedo Case and Begin Valuation of Fixed-Income Securities	<ol style="list-style-type: none"> <li>1. <b>Submit Midterm Exam Online</b></li> <li>2. Begin Valuation of Fixed-Income Securities</li> <li>3. Reading: Course text Chapter 14, Appendix 14A, 14B, Appendix 15 (pp. 578-584), Chapter 16</li> <li>4. Review End of Chapter Problems and Solutions*               <ul style="list-style-type: none"> <li>◦ Chapter 14 (Problems: 1,2,3,4,9,11,12,18,19,20,23,26)</li> <li>◦ Chapter 15 (Questions: 2,8,; Problems: 3,5,8,12)</li> <li>◦ Chapter 16 (Problems: 2,4,6)</li> </ul> </li> <li>5. Problem Set 3 Available for Review</li> <li>6. <b>Bedo Case Module Opens</b></li> <li>7. Recommended Readings: See Week 7 Course Documents</li> </ol>

When	Module Title	Notes
<b>ONLINE</b> Week 8 08/11/2021 6:00 PM - 9:00 PM ZOOM	Options	1. Reading: Course text Chapters 17,18 2. Recommended Readings: See Week 9 Course Documents 3. <b>Quiz 4: Technical Interview Quiz</b> 4. Review End of Chapter Problems and Solutions* <ul style="list-style-type: none"> <li>◦ Chapter 17 (Problems: 2,3,4,6,8)</li> <li>◦ Chapter 18 (Problems: 2,5)</li> </ul>
<b>ONLINE</b> Week 9 08/18/2021 6:00 PM - 9:00 PM ZOOM	Futures, Real Assets and Investment Companies	1. Reading: Course text Chapters 19, 6 (pp. 201-224), 7 2. Review End of Chapter Problems and Solutions* <ul style="list-style-type: none"> <li>◦ Chapter 19 (Questions: 9,10; Problems: 1,4,6,7,8)</li> <li>◦ Chapter 7 (Problems: 2,4)</li> </ul> 3. Recommended Readings: See Week 10 Course Documents 4. <b>Quiz 5: Options</b>
<b>ONLINE</b> Week 10 08/25/2021 6:00 PM - 9:00 PM ZOOM	Foreign Investments and the Information Ratio	1. <b>Bedo Case Client Letter Due</b> 2. Reading: Course text Chapter 20 3. Review End of Chapter Problems and Solutions* <ul style="list-style-type: none"> <li>◦ Chapter 20 (The Bruckner's Asset Allocation – page 771)</li> </ul> 4. Recommended Readings: See Week 11 Course Documents 5. <b>Quiz 6: Case Study</b>
<b>ONLINE</b> Week 11 Final Exam Module	Comprehensive Final Exam	<b>The Final Exam will be taken online and must be completed by Midnight, September 1, 2021.</b>
<b>Notes</b>	Notes to Course Schedule	* Copies of the solutions to the listed End of Chapter Problems from the indicated chapters in the textbook are available on the course website on Canvas. It's also recommended that class members review the even numbered problems at the end of each assigned chapter. The answers to the even numbered problems are provided in Appendix B of the textbook.