

Note:

Course content may be changed, term to term, without notice. The information below is provided as a guide for course selection and is not binding in any form, and should not be used to purchase course materials.

COURSE SYLLABUS

**BUSI 538:
INVESTMENTS & DERIVATIVES**

COURSE DESCRIPTION

Students will study the crucial aspects of investments and derivatives so that they will have an understanding of the differing types of investments, portfolio construction, and derivative markets. Topics in this course include: investments, asset classifications, financial instruments, securities markets, technical analysis, mutual funds, risk and return, diversification, the capital asset pricing model, the arbitrage pricing theory, the efficient market hypothesis, bond and bond portfolios, equity valuation, financial statement analysis, option markets and valuation, portfolio performance evaluation, and international investments.

RATIONALE

Students earning a graduate degree specializing in finance should understand the fundamentals of investments and options. This course introduces students to the elements of investments, portfolio theory, debt and equity instruments, and derivative markets essential for the investing.

I. PREREQUISITE

For information regarding prerequisites for this course, please refer to the [Academic Course Catalog](#).

II. REQUIRED RESOURCE PURCHASE

Click on the following link to view the required resource(s) for the term in which you are registered: <http://bookstore.mbsdirect.net/liberty.htm>

III. ADDITIONAL MATERIALS FOR LEARNING

- A. Computer with basic audio/video output equipment
- B. Internet access (broadband recommended)
- C. Microsoft Word and Microsoft Excel
(Microsoft Office is available at a special discount to Liberty University students.)

IV. MEASURABLE LEARNING OUTCOMES

Upon successful completion of this course, the student will be able to:

- A. Contrast open-end mutual funds with closed-end funds, unit investment trusts, hedge funds, and exchange-traded funds.
- B. Identify reasons why technical analysis may be profitable.
- C. Calculate and interpret performance measures such as economic value added and rates of return on assets, capital, and equity.
- D. Formulate strategies for various investment options to modify portfolio risk-return attributes and to assess portfolio strategy.
- E. Integrate biblical principles within the field of investments.
- F. Develop an investment policy statement consistent with investment objectives and constraints.

V. COURSE REQUIREMENTS AND ASSIGNMENTS

A. Textbook readings and lecture presentations/notes

B. Course Requirements Checklist

After reading the Syllabus and [Student Expectations](#), the student will complete the related checklist found in Module/Week 1.

C. Discussion Board Forums (2)

The student is required to provide a thread in response to the provided prompt for each forum. The original thread needs to be 500-750 words for the initial post, include at least 2 references, include biblical scripture integrations, and demonstrate course-related knowledge from the text.

In addition to the thread, the student is required to reply to 2 other classmates' main discussion board threads. Each reply thread needs to be 450-600 words, include 2 references, and one biblical integration.

The first discussion board main post will be due at the end of week-3, with reply posts due at the end of week-4.

Discussion Board 1 Topic:

Review the "Parable of the Talents" in Matthew 25: 14-30. Discuss (1.) money market instruments, (2.) fixed-income/bond instruments, (3.) equity investments, (4.) mutual funds, and (5.) derivative/option investments relative to the scripture. How does risk mitigation/avoidance and risk tolerance relate to return strategies/expectations for each of the five types of investments?

The second discussion board main post will be due at the end of week-5, with reply posts due at the end of week-6.

Discussion Board 2 Topic:

With the exclusion of Matthew 25: 14-30, please choose 4 scriptures that relate to the topic of investing, budgeting, and/or wealth management. Integrate the scriptures with the material from the text and from online resources to demonstrate how the Bible is vital to the principles of investments and/or your own investment strategies for retirement. Please make sure that your own original analysis of each scripture is provided.

D. Connect Plus Homework & Quizzes (16 Homeworks & 16 Quizzes)

The student will be assigned homework and quizzes to complete per chapter in Connect Plus.

In order to gain access to Connect Plus, the student may either purchase the textbook listed in the Syllabus with the access code or purchase the access code separately via the bookstore or the Connect website. The instructor will provide the student with the URL needed for registering during the week before the course begins, along with specific instructions for registering.

E. Investment Project: Chapter 22 Implementation & Application: Due Date of Week-7.

Please discuss and analyze your own investment management process (IMP) and develop your own investment policy statement (IPS) with regard to wealth creation and retirement

planning. Discuss investment objectives and constraints in the development of your IPS. Comprehensively integrate the topics learned throughout the course.

The PowerPoint and the video presentation should cover the material points in tables 22.1, 22.2, and 22.3 on page 708 in the text in Chapter 22. Each point should be focused on the construction of your own strategies for retirement/estate-planning portfolio endeavors.

Table 22.1 addresses the “Components of the Investment Management Process”, to include the topics of planning, execution of the portfolio construction and revisions, and the feedback process. Ten slides at a minimum should be dedicated to this table’s material.

Table 22.2 addresses the “Components of the Investment Policy Statement (IPS)”. Note that the nine points should be addressed in your presentation. Remember that you are the client. This is an applied future prescriptive exercise assignment. Nine to ten PPT slides should be dedicated to this table’s material.

Table 22.3 addresses the “Determination of Portfolio Policies”, to include the objectives and the constraints. Two to three PPT slides should be dedicated to this table’s material.

Please provide a Kaltura Video and a PowerPoint presentation to the appropriate, but separate, drop-boxes within the week-7 course content tab. The presentation does not have to be in an APA format, and you may utilize the first person since you are commenting on your analysis of the creation of your own IMP and IPS. A presentation of a 10-minute minimum (with a limit of 15-minutes) is required in Kaltura.

VI. COURSE GRADING AND POLICIES

A. Points

Course Requirements Checklist:	10
Discussion Board Threads (2 @ 50 pts each):	100
Discussion Board Replies (2 @ 30 pts each):	60
Connect Homework (16 @ 20 pts each):	320
Connect Quizzes (16 @ 20 pts each):	320
Investment Project: Chapter 22 IMP & IPS Application:	200
• 100-Points for the PowerPoint presentation.	
• 100-Points for the Kaltura Video.	
Total:	1,010

B. Scale

A = 940–1010 A- = 920–939 B+ = 900–919 B = 860–899 B- = 840–859
 C+ = 820–839 C = 780–819 C- = 760–779 F = 759 and below

C. Disability Assistance

Students with a documented disability may contact Liberty University Online’s Office of Disability Academic Support (ODAS) at LUOODAS@liberty.edu to make arrangements for academic accommodations. Further information can be found at www.liberty.edu/disabilitysupport.

COURSE SCHEDULE

BUSI 538

Textbook: Bodie et al., *Essentials of Investments* (2017).

MODULE/ WEEK	READING & STUDY	ASSIGNMENTS	POINTS
1	Bodie et al.: chs. 1–2	Course Requirements Checklist Class Introductions Chapter 1 Homework Chapter 1 Quiz Chapter 2 Homework Chapter 2 Quiz	10 0 20 20 20 20
2	Bodie et al.: chs. 3–4	Chapter 3 Homework Chapter 3 Quiz Chapter 4 Homework Chapter 4 Quiz	20 20 20 20
3	Bodie et al.: chs. 6–7	Chapter 6 Homework Chapter 6 Quiz Chapter 7 Homework Chapter 7 Quiz Discussion Board 1: Main Post	20 20 20 20 50
4	Bodie et al.: chs. 8–9	Chapter 8 Homework Chapter 8 Quiz Chapter 9 Homework Chapter 9 Quiz Discussion Board 2: Reply Posts	20 20 20 20 30
5	Bodie et al.: chs. 10–11	Chapter 10 Homework Chapter 10 Quiz Chapter 11 Homework Chapter 11 Quiz Discussion Board 2: Main Post	20 20 20 20 50
6	Bodie et al.: chs. 13–14	Chapter 13 Homework Chapter 13 Quiz Chapter 14 Homework Chapter 14 Quiz Discussion Board 2: Reply Posts	20 20 20 20 30

MODULE/ WEEK	READING & STUDY	ASSIGNMENTS	POINTS
7	Bodie et al.: chs. 15–16	Chapter 15 Homework Chapter 15 Quiz Chapter 16 Homework Chapter 16 Quiz Investment Project: Kaltura Video Investment Project: PPT Presentation	20 20 20 20 100 100
8	Bodie et al.: chs. 18–19	Chapter 18 Homework Chapter 18 Quiz Chapter 19 Homework Chapter 19 Quiz	20 20 20 20
TOTAL			1010

DB = Discussion Board

NOTE: Module/Week 1 begins on Monday morning at 12:00 a.m. (ET) and ends on Friday night at 11:59 p.m. (ET). Module/Weeks 2-8 will begin on Saturday morning at 12:00 a.m. (ET) and end on Friday night at 11:59 p.m. (ET).