CITY UNIVERSITY OF NEW YORK
LEHMAN COLLEGE
SCHOOL OF BUSINESS
DEPARTMENT OF FINANCE, INFORMATION SYSTEMS AND ECONOMICS

BBA 310 – OA1C INVESTMENTS, SUMMER 2025.

COURSE SYLLABUS

INSTRUCTOR INFORMATION

INSTRUCTOR:	Alexander Núñez-Torres, Ph.D.
POSITION:	Associate Professor
OFFICE:	Carman Hall, Room 363-B
OFFICE HOURS:	by appointment via email
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COURSE INFORMATION

COURSE NUMBER - SECTION:	BBA 310 – OA1C
TITLE:	Investments
CREDITS UNITS:	Three Units
CAREER:	Undergraduate

COURSE ARRANGEMENT:

Online

COURSE DESCRIPTION:

Risks of different securities using advanced principles of portfolio theory and computation and evaluation of investment performance. Applications of theoretical concepts to evaluate or conduct portfolio management.
PREREQ: BBA 207 and MAT 171 or MAT 172

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

1. Describe investments, real assets and financial assets, risk and return, and risk premiums.
2. Describe asset classes and financial instruments
3. Explain investment performance using the principles of portfolio and capital market theory
4. Describe valuation calculations for equity and fixed income securities
5. Explain fundamental concepts of portfolio and investment management
6. Describe fundamental and technical analyses for stock valuation.
7. Explain Capital asset pricing model and arbitrage pricing theory.

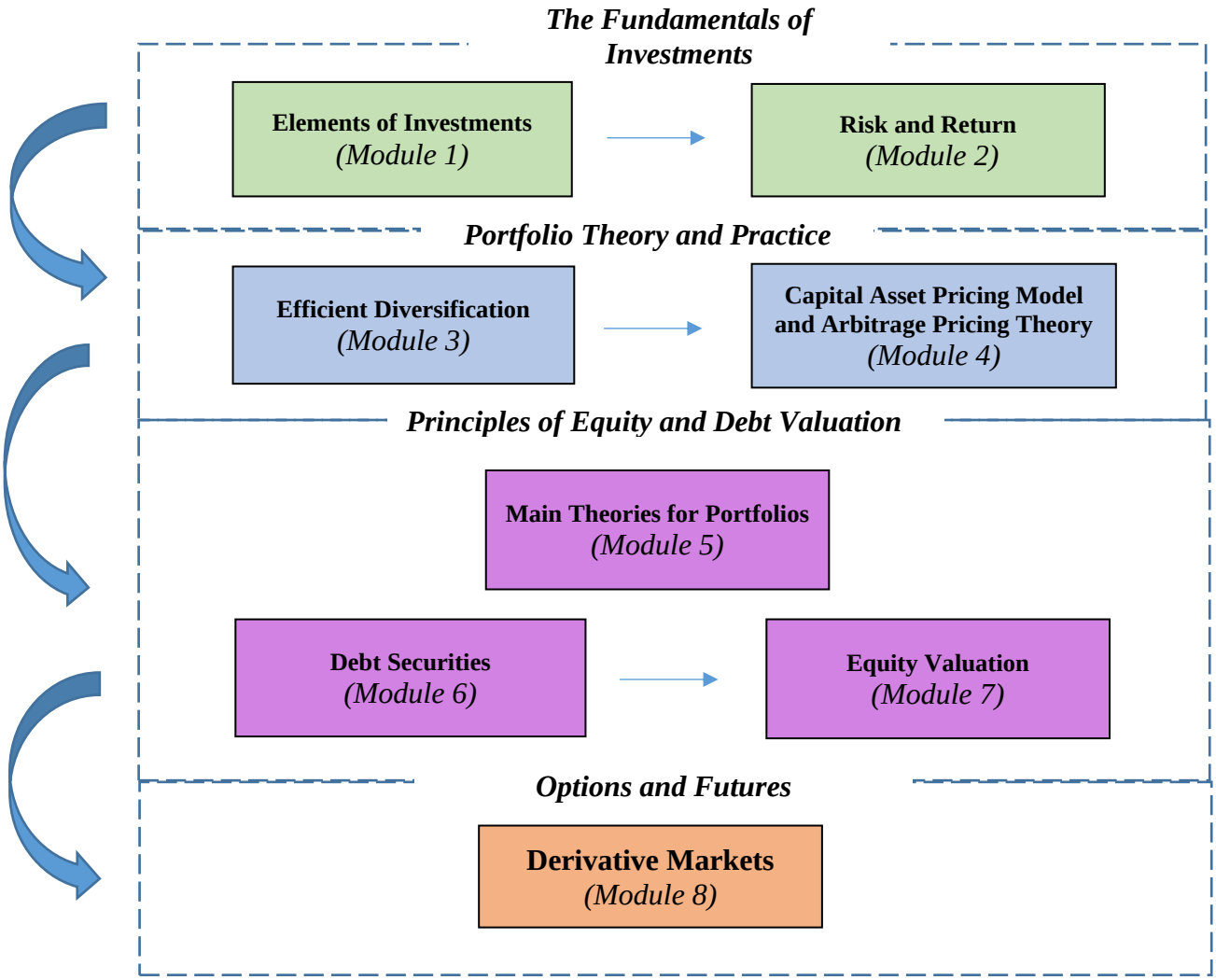
LEARNING BLOCKS AND MODULE DESCRIPTION:
This course is structured in learning blocks, and within, modules to better guide to the course topics. **The course components are lectures, assignments, quizzes and exams.**

For each block you will have a series of Modules that will instruct you to the learning objectives of this course. Each module has a corresponding lecture that contains the knowledge to be learned. This lecture, will serve not only as an information repository, but it will also serve a guide to walk the student through the module. After each lecture there will be a homework and a quiz (with the exception of Module 6 that only has a quiz).

This course is asynchronous, is not required that you do the assignments at a specific time, meaning that you will pace yourself. **However, the modules, quizzes, and assignments have due dates.** You will need to complete the modules before specific dates.

Below you will find a description of the learning blocks, each learning blocks shown correspond to the blocks on Blackboard:

a) **The Fundamentals of Investments (Green Block)**
b) **Portfolio Theory and Practice (Blue Block)**
c) **Principles of Equity and Debt Valuation (Purple Block)**
d) **Options and Futures (Peach Block)**



1- **Elements of Investments** (*Ends July 16*)
This lecture introduces essential concepts in financial markets, focusing on different types of assets such as the money market for short-term instruments, the fixed income market for bonds, equity securities offering ownership in companies, and derivative markets for contracts based on underlying assets. It also covers how securities are issued by firms through public offerings or private placements, traded on exchanges or over-the-counter, and the associated costs like trading fees and margin buying. Additionally, it discusses regulatory frameworks ensuring market integrity and investor protection.

2- **Risk and Return** (*Ends July 18*)
What is risk and risk premium? What is the Sharpe Ratio? What is risk aversion and how does it interact with capital allocation? This lecture covers various aspects of rates of return, including measuring investment returns over multiple periods and annualizing these returns. It examines the effects of inflation and the real rate of interest on investments, and delves into risk and risk premium, incorporating scenario analysis, probability distributions, normality, and tail risk. The lecture also

discusses the relationships between risk premium, risk aversion, and the Sharpe ratio, and introduces a minor but important modification to traditional risk assessment. Additionally, it covers asset allocation across risky and risk-free portfolios, detailing the risk-free asset, portfolio expected return and risk and the Capital Allocation Line (CAL).

3- **Efficient Diversification** (*Ends July 22)*
How does diversification reduce portfolio risk? This lecture explores the concepts of diversification and portfolio risk, focusing on asset allocation with two risky assets. It covers covariance and correlation, the three rules of two-risky-assets portfolios, and the risk-return trade-off using the mean-variance criterion. The lecture also discusses the optimal risky portfolio in the presence of a risk-free asset and efficient diversification with multiple risky assets, including the efficient frontier of risky assets and selecting the optimal risky portfolio.

4- **Capital Asset Pricing Model and Arbitrage Pricing Theory** *(Ends July 24)*
What is the Capital Asset Pricing Model (CAPM)? What is Arbitrage Pricing Theory (APT)? How is capital market theory applied in practice? This lecture explores the Capital Asset Pricing Model (CAPM), including its assumptions, implications, and the determination of expected returns on individual securities. It explains the Security Market Line (SML) and the practical applications of CAPM, along with an introduction to the Fama-French Three-Factor Model. The lecture also covers Arbitrage Pricing Theory (APT), detailing its model, advantages, and disadvantages, and concludes with applications of capital market theory in practice.

5- **Main Theories for Portfolios** (*Ends July 29)*
How do investors select portfolios? What are the main theories discussing portfolio management? This lecture delves into the Efficient Market Hypothesis (EMH) and Behavioral finance, discussing the concept of random walks in efficient markets and the implications for technical and fundamental analysis, as well as active vs. passive portfolio management. It covers the behavioral critique, information processing, biases, limits to arbitrage, and the interplay between technical analysis and behavioral finance. It examines weak and semi-strong form tests for patterns in stock returns, questioning market efficiency.

6- **Debt Securities** (*Ends July 31)*
This lecture explores various aspects of bonds, including their characteristics and pricing. It covers different types of bond yields, such as yield to maturity and yield to call, and examines how bond prices change over time. Additionally, it discusses the impact of default risk on bond pricing, providing a comprehensive overview of the key factors influencing bond investments.

7- **Equity Valuation** (*Ends Aug 05)*
This lecture covers essential topics in macroeconomic and industry analysis for equity valuation. It then delves into the main process of evaluating an equity stock. It begins with an examination of the global and domestic macroeconomy, business cycles and industry analysis. We then delve into equity valuation, discussing

relative and absolute valuation methods, comparables and intrinsic value versus market price. It also covers dividend discount models, price-earnings ratios, and free cash flow valuation approaches.

8- **Derivative Markets** (*Ends Aug 06)*
Have you ever read about Options and Futures? Do you know about the derivative markets? This lecture delves into financial derivatives, focusing on options and futures contracts. It covers the fundamentals and expiration values of call and put options, comparing options to stock investments. The lecture also introduces futures contracts, explaining their trading mechanics, practical uses, and the concept of spot-futures parity.

REQUIRED TEXTBOOK:

Bodie, Kane and Markus. Essentials of Investments, 12th Edition. McGraw Hill

USE OF TECHNOLOGY: BLACKBOARD, FINANCIAL CALCULATOR LEHMAN EMAIL:

We use Blackboard for everything in this course. To post important course-related documents and materials (lectures, and chapters) such as the course syllabus (and any updates or changes to the syllabus), submitting assignments and quizzes. Exams will be in Blackboard. Blackboard can be accessed through the Lehman College website: www.lehman.cuny.edu.

Since Blackboard is automatically linked to your Lehman College email account, and will serve as the principal method to communicate outside the classroom, **students are expected to check Blackboard** and their **Lehman College email account** on a regular basis.

If you have any questions about Blackboard and your Lehman College email account or your password, or if you have any problems accessing the site please call the computer helpdesk at 718-960-1111.

GRADING POLICY:
Grades will be determined by the following criteria:

- **Assignments 28%:**
  All the assignments are to be done individually, discussing with your colleagues is encouraged, but the assignments must be submitted individually. Instructions for all the assignments are in blackboard. **All assignment projects have due dates**, and they have a relationship with the quizzes, midterms and final.

  Assignments are not timed, but they have to be submitted before the due date. After the due dates the assignments will be marked late and the student will lose 20% of its value. The last day to submit the assignment is the last day of the modules. (All

assignments will be taken via blackboard and are due before 11:59pm of their respective assigned date).

You will have more than one attempt for the assignments. You can try the assignment, look at the incorrect questions, and try again. In the end, the highest grade for the homework will count for your final score. Keep in mind that the cumulative value of the assignments is 30% of your final grade.

- **Quizzes 32%:**
  Quizzes are based on the assigned module readings, lectures, supplemental materials (the videos), and assignments related to the course. A total of 7 will be assigned for this class. **ALL Quizzes will be administered via blackboard, and they will have a specific amount of time for completion** (usually 45 to 60 minutes)**.** You are **required to have a financial calculator available for all the quizzes**. You will probably need a spreadsheet or Excel. After the timer for the quiz is depleted, the quiz will be auto-submitted. **After the quiz is submitted, the student cannot retake it.**

  The idea of the quizzes is to test the new knowledge acquired in the lectures, video presentations and homework. It is **strongly** recommended that the student take the quizzes as soon as it is suggested in the module, and only after the student has completed the module assignment. Quizzes are individual, and it is **expected** that the student follow the Academic Integrity and Plagiarism Policy.

  Each quiz is equally weighted when calculating the final distribution of the course grade. **No make-up quizzes nor additional assignments** will be administered for students who did not complete a quiz. **The quizzes have due date based on the modules**, that is, after the module is unavailable, so will be the respective quizzes (See Module description).

- **Exams 40%:**
  Exams are based on the assigned course readings, lectures and supplemental materials related to the course. A total of TWO exams will be assigned for this class. **ALL Exams will be administered via Blackboard**. You are **required to have a financial calculator or the use of a spreadsheet to all the exams**, other electronic devices are not permitted. **The exams are the only section of this course that have to be done at a specific date**. The dates of the Exams are the following:

  MIDTERM: Friday, July 25, between 10:00 AM and 10:00 PM
  FINAL: Thursday, August 07, between 10:00 AM and 10:00 PM

  Unless informed otherwise, **taking all the exams is required**, if you don't take one of the exams, you will receive a 0 and that score will count for the calculation of your final grade. **No make-up exams nor additional assignments** will be administered for students who did not complete an exam.

The Midterm is valued at 20% and the Final is valued at 15%. Each exam is equally weighted when calculating the final distribution of the course grade**. Both the Midterm and the Final are partial exams**, meaning that they will evaluate a specific number of modules. The following modules, assignments, quizzes correspond to each exam:

Course Topics corresponding to each exam[1]	
Midterm	Quizzes 1-4 Modules 1-4 Homeworks 1-4
Final	Quizzes 5-8 Modules 5-8 Assignments 6-8

COURSE EVALUATION AND GRADING SCALE:

Grading Scale	
Score Range	**Grade**
94.50 – 100	A
89.50 – 94.49	A-
85.50 – 89.49	B+
82.50 – 85.49	B
79.50 – 82.49	B-
75.50 – 79.49	C+
72.50 – 75.49	C
69.50 – 72.49	C -
64.50 – 69.49	D+
59.50 – 64.49	D
59.49 or lower	F

ACCOMMODATING DISABILITIES:

Lehman College is committed to providing access to all programs and curricula to all students. Students with disabilities who may need classroom accommodations are encouraged to register with the Office of Student Disability Services. For more information, please contact the Office of Student Disability Services, Shuster Hall, Room 238, phone number, 718-960-8441.

[1] There is no assignment 5.

ATTENDANCE POLICY (FROM STUDENT HANDBOOK)

Students are expected to attend classes regularly, and instructors are required to record attendance for grading and counseling purposes. Individual instructors, as well as departments or degree programs, may establish specific attendance requirements. Instructors have the right to weigh attendance and class participation in determining grades. It is the student's responsibility to ascertain the effect attendance may have on the grade in a course. Students receiving financial aid must be certified as attending classes regularly for continuing eligibility.

ACADEMIC CENTER FOR EXCELLENCE (ACE) & SCIENCE LEARNING CENTER (SLC)

The Academic Center for Excellence (ACE) and the Science Learning Center (SLC) are two of the tutoring centers on campus. The ACE provides appointment based and drop-in tutoring in the humanities, social sciences, and writing, as well as general writing and academic skills workshops. The SLC provides drop-in tutoring for natural and computer science courses. To obtain more information about the ACE and the SLC, please visit their website at http://www.lehman.edu/issp or please a call to the ACE at 718-960-8175, and the SLC at 718-960-7707.

ACADEMIC INTEGRITY AND PLAGIARISM POLICY

Statement may be found in student handbook. For more information refer to http://www.lehman.cuny.edu/student-affairs/documents/student-handbook-02.pdf. While students are encouraged to work together in solving most of the class assignments, each student needs to hand in their individual work to receive a full grade. **Being caught cheating in an exam or assignment will result in a score of 0% in the exam/assignment and a final grade for the course of "F".**

SPECIFIC POLICIES

The instructor will be very respectful with each student. The same is expected from each student to all other classmates and to the instructor.

FINANCIAL CALCULATOR

You will need a financial calculator. You are free to buy whichever you feel is best for you. TI BA-II plus and HP 10BII are widely used. It is your responsibility to learn how to use the financial calculator. You can find videos online on how to use it, alternatively in the fourth chapter text, you will find an example (with pictures). Additionally, you might use a spreadsheet (Google spreadsheet, Excel spreadsheet, etc.).