

**UNDERGRADUATE AND GRADUATE  
COURSE AND CURRICULUM CHANGES**

**Previously Approved by the  
COLLEGE OF BUSINESS ADMINISTRATION**

**At their**

**October 31, 2007  
Faculty Meeting**

**But not included in previous White Sheets  
Sent out November 27, 2007**

**CONTACT PERSON: AMIR TAVAKKOL  
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**IMPACT STATEMENT**

No units are directly impacted by these changes outside the College of Business Administration. Departments within the College of Business that will be impacted by this proposal have been consulted.

Please provide the sponsors of this proposal with any information regarding fiscal or programmatic impact on your department, program, and/or students

## CURRICULUM PROPOSAL

### ADD:

## Certificate in Integrated Investment Management

### SECTION I: PROGRAM DESCRIPTION

#### Educational Objectives:

The purpose of the Certificate in Integrated Investment Management (hereafter, the Certificate) is to provide an opportunity for students in the College of Business Administration to gain an in-depth knowledge of the field of investment management. The Certificate's curriculum exposes students to the fundamentals of investments and investment management and provides them with a broader business perspective on the investment management industry. Recognizing that the investment management industry, like any other business, has career development opportunities in many different functional areas (accounting, finance, management, marketing, and information technology), it is open to all undergraduate majors within the College.

Students enrolled in the Certificate program will have the opportunity to apply their discipline-specific knowledge to the management of the College's Student Investment Portfolio (SIP). This portfolio, made possible through the generous funding provided by Dennis and Sally von Waaden, has a current market value in excess of \$500,000. It is actively managed by finance majors enrolled in FINAN 653 (Security and Portfolio Analysis). These students make all investment decisions for the portfolio. The Certificate program will allow interested business students from all majors in the College to participate in and interact with the SIP. By integrating the SIP within the Certificate program, students will be able to apply knowledge within their specific functional area (accounting, finance, management, marketing, and information technology) to the management of the portfolio.

Students who have earned this Certificate will be able to distinguish themselves by demonstrating competency in the investment management industry, thereby enhancing their ability to better compete for jobs within the investment management and financial services industries.

#### Courses Associated with the Certificate:

The Certificate in Integrated Investment Management requires a total of 15 credit hours. All students enrolled in the Certificate will take 9 credit hours of the core, and choose six credit hours from eligible electives.

#### Integrated Investment Management Core Courses:

**FINAN 450. Principles of Finance.** (3) I, II, S. Study of the basic principles of finance, including discounted cash flow analysis, risk-return tradeoff, asset pricing models, and financial and real asset valuation. Applications of these concepts to the firm's investment and financing

decisions and performance analysis will be discussed. Pr.: ECON 120, STAT 350, and ACCTG 231.

**FINAN 451. Introduction to Integrated Investment Management.** (3) I. This course provides a survey of the investment management industry. The course examines various aspects of the investment management industry including discussions of investment markets, products, companies, and strategies. The course also examines the business of investment management by surveying each of the functional areas of investment management industry: accounting, finance, management, and marketing. The course introduces students to the basics of investment management and the course provides a survey of the legal and ethical environments in the investment management industry.

**FINAN 500. Investment Management Concepts.** (3) I. An introduction and study of the issues and skills involved in successful investment management. This course will survey the role of capital markets, the basics of fundamental and technical analysis, behavioral finance, the basic of financial statements, client development, and management skills necessary for investment management success. Pr.: FINAN 450.

Elective Courses (Choose two of the following four courses):

**ACCTG 445. Financial Statement Analysis.** (3) II. This course will develop a student's skills and knowledge in the analysis and interpretation of corporate financial statements and their related footnotes. The class will encourage the student to think logically and creatively about the strengths and weaknesses of accounting information available to investors and shareholders. The main course objective is for the student to be capable of doing an in-depth analysis of a company's financial and operating performance from several financial statements. Pr.: ACCTG 231 and 241, and FINAN 450.

**MKTG 497. Topics in Financial Services Marketing.** (3) On sufficient demand. Discussion and analysis of current issues in the marketing of financial services, including topics related to new theory, the practice of marketing, and marketing applications. Pr.: will vary by topic offered.

**MANGT 566. Computer Systems for Finance and Investment Management.** (3) I. An integrated course examining the interrelationship between finance/investment management and information technology taught using a mixture of theory/concepts and hands-on activities. Topics include spreadsheet design and use in finance and investments, decision support systems and artificial intelligence used in risk analysis, financial database design, and information technologies used to transmit financial and investment information. PR: MANGT 366.

**FINAN 653. Security and Portfolio Analysis.** (3), I, II. The analysis and valuation of securities and the management of investment portfolios. Students analyze the composition of, make buy/sell recommendations for, and evaluate the performance of an actual portfolio. Pr.: FINAN 510 and 520.

*Note:*

1. Finance 450 (Principles of Finance) is currently a part of the undergraduate business core, and all business students are required to complete this course.
2. FINAN 653 (Security and Portfolio Analysis) is currently offered as an elective to finance majors.
3. With the exception of FINAN 450 and FINAN 653, all other courses are new courses proposed specifically for this Certificate.

### **Course and Certificate Completion Notes:**

1. Students must earn a minimum of 2.50 grade point average on courses taken to fulfill the requirements of the Certificate in Integrated Investment Management.
2. Students must earn at least 50% of credits that apply to the certificate from Kansas State University or an approved university affiliate of Kansas State University in a foreign country.
3. Students will be able to substitute FINAN 510 and FINAN 520 (both must be completed) for FINAN 500.

### **Statement of Need:**

The College of Business Administration has identified integrated investment management as a priority area and seeks to achieve distinction and recognition in this area. To advance this area to regional and national prominence, Dennis and Sally von Waaden have made significant financial commitments in the form of student scholarships, endowed faculty of distinction, and funds for management by the Student Investment Portfolio.

Firms in the investment management industry are significant employers of the College's students. Since 2004, seven of the College's top 25 employers were in the investment management industry. Students who have earned this Certificate will be able to distinguish themselves by demonstrating competency in the investment management industry, thereby enhancing their ability to better compete for jobs within the investment management and financial services industries.

The Certificate in Integrated Investment Management will allow the College to further build on the education successes already realized by having the SIP and by preparing our students for a career in the investment management industry. A recent article in the *Wall Street Journal* (July 14, 2006) noted the growing importance of student investment management within business programs across the country, with more than 200 student managed funds in business colleges. These funds provide students with an experiential learning opportunity and enable them to gain practical experience managing investment portfolios. This type of practical experience is vital to students as they begin careers in the investment management industry. However, this opportunity is primarily limited to students majoring in finance and in many cases limited to graduate students.

Regionally, eleven of the twelve institutions in the Big 12 have some type of a student managed investment portfolio. Five of these are either restricted to graduate students or have some enrollment requirements for participation in the management of the portfolio. Further, none of these eleven institutions offers cross-disciplinary investment management program. Rather, the focus is on asset selection and management.

The Certificate in Integrated Investment Management has several salient features. It is designed for undergraduate students; it is open to all majors within the College of Business Administration; and it is cross-disciplinary. The courses in the Certificate are designed to emphasize that the successful investment management firm relies on all business functional areas. Applications of specific functional area knowledge to the investment management industry are emphasized. Thus, this Certificate seeks to better prepare the College's majors for a career in this industry.

**Resource Implications:**

The Certificate in Integrated Investment Management required the development of five new courses. Course development grants were provided to faculty for this purpose. All courses will be staffed by current faculty. Each department will adjust their teaching assignments to be able to offer the course(s) in their departments, staffed by current faculty. Additionally, external funding been raised and will be provided to each department in order to help facilitate the offering of these courses.

**Effective Date:**

Fall 2008

## SECTION II: STUDENT LEARNING OUTCOMES AND ASSESSMENT PLAN

### Student Learning Outcomes:

The Certificate in Integrated Investment Management is intended for those business majors whose career interests lie in the investment management industry. The required courses are designed to provide these students with the fundamentals of investment management and a broader business perspective of the investment management industry. After completing this certificate, students will be able to:

1. Apply the principles of financial analysis to issues specific to the investment management industry, including the valuation of financial assets using fundamental analysis, the use of technical analysis for asset selection, and trading of assets in financial markets.
2. Describe the role of each of the four major functional areas (accounting, finance, management and marketing) in the investment management firm and illustrate the contributions of these areas to the success of the firm.
3. Explore the legal and ethical environments within which investment management firms operate.
4. Analyze financial statements and show their relationship to security valuation.
5. Identify personal and professional skills necessary for success in the investment management industry.

In addition to three required courses, students seeking the certificate will also choose two elective courses best suited for their personal career choices. These courses are designed to provide further knowledge in specific functional areas.

### Specific Student Learning Outcomes for core courses in the Certificate in Integrated Investment Management:

Core Course	Student Learning Outcomes
<b>FINAN 450 (Principles of Finance)</b>	<ol style="list-style-type: none"> <li>1. Describe the objective of the firm.</li> <li>2. Conduct basic financial statement analysis.</li> <li>3. Use time value of money concepts to evaluate financial and real assets.</li> <li>4. Calculate the basic measures of risk and explain the relationship between risk and return.</li> <li>5. Calculate a firm's cost of capital.</li> <li>6. Explain the effects of financial leverage.</li> </ol>
<b>FINAN 451 (Introduction to Integrated Investment Management)</b>	<ol style="list-style-type: none"> <li>1. Describe the role of each of the functional areas (marketing, management, accounting, finance, and information technology) within the investment management industry and how those functional areas contribute to the success of an investment management firm.</li> </ol>

	<ol style="list-style-type: none"> <li>2. Describe the legal and ethical environments within the investment management industry.</li> <li>3. Become familiar with the different investment management techniques.</li> </ol>
<b>FINAN 500 (Investment Management Concepts)</b>	<ol style="list-style-type: none"> <li>1. Explain the role of capital markets in investment management.</li> <li>2. Conduct fundamental and technical analysis in selecting securities.</li> <li>3. Explain how behavioral finance affects prices.</li> <li>4. Analyze key financial statements.</li> <li>5. Describe the skills necessary to acquire a client base.</li> <li>6. Describe the managements skills necessary for personal and professional investment management success</li> </ol>

### Assessment Plan

Each of the five Student Learning Outcomes of the Certificate in Integrated Investment Management will be assessed using both direct and indirect measures. All students enrolled in the Certificate program will be assessed in accordance with the plan shown below. Indirect Measures used are:

- INDM1: Results from student participation in investment simulation.
- INDM2: Student participation in activities such as the investment simulation and their interaction with the Student Investment Portfolio.
- INDM3: Survey of graduates with the Certificate to determine how the program helped them prepare for a career in the investment management industry.
- INDM4: Survey of employers of graduates with the Certificate to determine the level of preparation provided by the program.

Student Learning Outcome	Direct Measures and Frequency	Indirect Measures and Frequency
1. Apply the principles of financial analysis to issues specific to the investment management industry, including the valuation of financial assets using fundamental analysis, the use of technical analysis for asset selection, and trading of assets in financial markets.	Completion of FINAN 450 and selected test items. Assessed annually.	INDM1. Assessed annually.  INDM3. Assessed every five years.  INDM4. Assessed every five years.
2. Describe the role of each of the four major functional areas (accounting, finance, management and marketing) in the investment management firm and illustrate the contributions of these areas to the success of the firm.	Completion of FINAN 451 and selected test items. Assessed annually.	INDM3. Assessed every five years.  INDM4. Assessed every five years.

3. Explore the legal and ethical environments within which investment management firms operate.	Completion of FINAN 451 and selected test items. Assessed annually.	INDM2. Assessed annually.  INDM3. Assessed every five years.  INDM4. Assessed every five years.
4. Analyze financial statements and show their relationship to security valuation.	Completion of FINAN 500 and selected test items. Assessed annually.	INDM2. Assessed annually.  INDM3. Assessed every five years.  INDM4. Assessed every five years.
5. Identify personal and professional skills necessary for success in the investment management industry.	Completion of FINAN 500 and selected test items. Assessed annually.	INDM2. Assessed annually.  INDM3. Assessed every five years.  INDM4. Assessed every five years.

**Process for Using Assessment Plan Results to Improve Student Learning:**

The results of the assessment plan will be discussed annually by the faculty teaching the core courses and electives for the Certificate program. Based on these results, course content will be modified to improve student learning if deemed necessary.



**College of Business Administration  
Department of Finance  
Kansas State University**

**Changes in Catalog Description**

**New Course**

**Add:** **FINAN 500. Investment Management Concepts.** (3) I. An introduction and study of the issues and skills involved in successful investment management. This course will survey the role of capital markets, the basics of fundamental and technical analysis, behavioral finance, the basic of financial statements, client development, and management skills necessary for investment management success. Pr.: FINAN 450.

**Rationale:** Students currently study the basics of finance in FINAN 450 but the study is primarily of quantitative aspects of finance and mostly corporate finance in nature. Students are frequently interested in the practical application of these ideas to investing and express their desire to know more about managing their investments. Additionally, there is currently no course offered that addresses the knowledge and skills necessary for managing and marketing investments. This new course will allow students the opportunity to develop the understanding and skills necessary to manage investments for themselves or for clients.

**Effective Date:** Fall 2008

## **Investment Management Concepts - FINAN 500** **Fall 200\***

Instructor : Scott Hendrix  
E-Mail : [hendrix@ksu.edu](mailto:hendrix@ksu.edu)

Phone : 532-4369  
Office : Calvin Hall 10-C

Course Description: An introduction and study of the issues and skills involved in successful investment management. This course will survey the role of capital markets, the basics of fundamental and technical analysis, behavioral finance, the basic of financial statements, client development, and management skills necessary for investment management success.

### Student Learning Outcomes:

Successful students are expected to be able to:

1. Explain the role of capital markets in investment management.
2. Conduct fundamental and technical analysis in selecting securities.
3. Explain how behavioral finance affects prices.
4. Analyze key financial statements.
5. Describe the skills necessary to acquire a client base.
6. Describe the managements skills necessary for personal and professional investment management success

Prerequisites: FINAN 450. If you have not had this prerequisite course, you should not enroll in this class. If you have not met the prerequisite, the Finance Department has the right to drop you from this class.

Grading : There will be five exams during the semester; the exams are equally weighted at 20% each. Examinations will cover class discussions, assigned problems, and assigned readings with emphasis on what is presented in class.

The grading scale for the course is no higher than:

- A ~ Excellent work = 90 and above
- B ~ Good work = 80- 89
- C ~ Fair work = 70 - 79
- D ~ Poor work = 60 -69
- F ~ Failure = below 60%

Textbook: Practical Investment Management, 3<sup>rd</sup> edition , Strong, © 2004 Thomson.

Other required materials: Wall Street Journal

If you have any condition, such a physical or learning disability, which will make it difficult for you to carry out the work as I have outlined it or which will require academic accommodations, please notify me in the first two weeks of the course.

## KANSAS STATE UNIVERSITY UNDERGRADUATE HONOR SYSTEM

Kansas State University has an Undergraduate Honor System based on personal integrity which is presumed to be sufficient assurance that in academic matters one's work is performed honestly and without unauthorized assistance. Undergraduate students, by registrations, acknowledge the jurisdiction of the Undergraduate Honor System. The policies and procedures of the Undergraduate Honor System apply to all full and part-time students enrolled in undergraduate courses on-campus, off-campus, and via distance learning. A prominent part of the Honor System is the inclusion of the Honor Pledge which applies to all assignments, examinations, or other course work undertaken by undergraduate students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." A grade of XF can result from a breach of academic honesty. An XF would be failure of the course with the X on the transcript indicating failure as a result of a breach of academic honesty. For more information, please visit the Honor System web page at: <http://www.ksu.edu/honor>.

## Tentative Class Schedule

<u>Week of</u>	<u>Topics</u>
Aug 21	Introduction to Investing
28	The marketplace
Sept 4	Market mechanics
	<b>Exam 1</b>
11	Introduction to security analysis
18	Equity analysis
25	Debt analysis
Oct 2	Behavioral Finance
	<b>Exam 2</b>
9	Financial Information
16	Financial Statement Analysis
23	<b>Exam 3</b>
30	Investing Internationally
Nov 6	Brokerage activities
13	Developing clients
	<b>Exam 4</b>
20	Thanksgiving break
27	Managing for personal investment success
Dec 4	Managing for professional investment success
11	<b>Final Exam</b>

Instruction: Lecture. There is will be a heavy focus on having expert lecturers from a wide variety of fields. These would include a local investment advisor, an accounting faculty member to address understanding finance statements, a marketing faculty member to address personal selling, and a management faculty member to address management skills necessary for successful personal and professional operations.

**College of Business Administration  
Department of Finance  
Kansas State University**

**Changes in Catalog Description**

**New Course**

**Add:**                   **FINAN 451. Introduction to Integrated Investment Management.**  
(3) I. This course provides a survey of the investment management industry. The course examines various aspects of the investment management industry including discussions of investment markets, products, companies, and strategies. The course also examines the business of investment management by surveying each of the functional areas of investment management industry: accounting, finance, management, and marketing. The course introduces students to the basics of investment management and the course provides a survey of the legal and ethical environments in the investment management industry. Pr.: ACCTG 231.

**Rationale:**           This course will be offered as part of the integrated investment management curriculum, which has courses developed across all departments in the College of Business. This course is designed to provide a survey of all of the functional areas of the investment management industry. Students will gain a perspective of the industry from a holistic business approach. This approach is consistent with the cross-disciplinary nature of the integrated investment management curriculum. Also, students will be exposed to the legal and ethical issues faced in the investment management industry. While students do get an exposure to ethics in other courses, the unique nature of the investment management industry and the regulation in that industry warrant special consideration as part of the integrated investment management curriculum.

**Effective Date:**   Fall 2008

**Kansas State University**  
**College of Business**  
**Department of Finance**  
**FINAN 451—Introduction to Integrated Investment Management**

Instructor: Dr. Eric Higgins  
Office: 117A Calvin Hall  
Phone: 532-3936 , Fax: 532-7024  
email: ehiggins@ksu.edu  
Office hours:  
Course information on web: <http://info.cba.ksu.edu/higgins>

**Course Materials:**

Custom published book from McGraw/Hill (**Required**)

*The Wall Street Journal* (**Highly Recommended**) We will be covering many current topics within the investment management industry that are discussed in *The Wall Street Journal*. It is important that you stay current.

Additional course materials, including notes and practice questions, are available on the FINAN-450 link on my web page.

**Prerequisites**

ACCTG 231. If you have not had the prerequisite course, you should not enroll in this class. Class time will not be spent on reviewing prerequisite material.

**Course Objectives**

This course serves as a gateway to the integrated investment management curriculum within the College of Business Administration at Kansas State University. This course is designed for anyone interested in the investment management industry, not just finance majors. The will examine firms within the investment management industry from a holistic viewpoint. Thus, we will survey all of the functional areas (management, marketing, accounting, and finance) within an investment management firm. The course will also survey the basics of investment management. We will also examine the unique legal and ethical environments within the investment management industry.

**Student Learning Outcomes**

After completing the course you should be able to:

1. Describe the role of each of the functional areas (marketing, management, accounting, finance, and information technology) within the investment management industry and how those functional areas contribute to the success of an investment management firm.
2. Describe the legal and ethical environments within the investment management industry.
3. Become familiar with the different investment management techniques.

## Grading

Your final grade will be based upon your performance on three in-class exams, a comprehensive final exam, and a semester long Stock-Trak assignment.

Grade breakdown:

In-Class Exams (3, 20% Each):	60%
Final Exam:	30%
Stock-Trak Assignment	10%

All grading is done on a percentage basis. The basic grading cutoffs are 90% or higher A, 80% or higher B, 70% or higher C, 60% or higher D. If the exams are curved, the curved exam scores will determine your final course grade. Grades are assigned based on strict cutoffs. If your grade falls below the cutoff, you will get the next grade, no negotiations, no exceptions.

The exams will cover all material covered in class and in the required readings. The exams will be multiple choice with particular focus on the application of the material discussed in class. Since the exams are multiple choice, there is no partial credit. No note sheets are allowed on the exams. You will be provided with all relevant formulas.

**Important note about makeup exams:** You must contact me **before** the exam in order to be excused. There are **no** exceptions to this rule. I will determine excusable absences. If you miss an exam for an excused reason, a makeup will be given on Friday, August 11 at 10:30. This time is non-negotiable. All makeups will be given at this time. The makeup exam will have the same format and coverage as the missed exam.

**Stock-Trak Assignment:** In class we will be using Stock-Trak simulated stock trading to initiate you into the world of investment management. Each student will be given \$100,000 to trade with over the course of the semester. You are allowed to make 200 trades during the semester. The goal is to create an investment portfolio, track the investments in the portfolio, and discuss the results of your portfolio. Making the most money is not necessarily what this is about. It is about appropriately setting investment objectives, managing those objectives, and tracking the investments chosen to meet those objectives. Each student will be required to turn in a paper that discusses the portfolio's objectives, the assets chosen to meet those objectives, and the performance of the assets chosen for the portfolio.

## **Other Things You Need to Know**

1. If you have not met the prerequisites, the Finance Department has the right to drop you from this class.
2. The last day to drop this course without receiving a W (please see departmental secretary). The last day to drop this class with a W (please see departmental secretary).
3. If you have any condition, such as a physical or learning disability, which will make it difficult for you to carry out the work as I have outlined or which will require academic accommodations, please notify me in the first two weeks of the course.
4. Kansas State University has an Undergraduate Honor System based on personal integrity which is presumed to be sufficient assurance that in academic matters one's work is performed honestly and without unauthorized assistance. Undergraduate students, by registrations, acknowledge the jurisdiction of the Undergraduate Honor System. The policies and procedures of the Undergraduate Honor System apply to all full and part-time students enrolled in undergraduate courses on-campus, off-campus, and via distance learning. A prominent part of the Honor System is the inclusion of the Honor Pledge which applies to all assignments, examinations, or other course work undertaken by undergraduate students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." A grade of XF can result from a breach of academic honesty. An XF would be failure of the course with the X on the transcript indicating failure as a result of a breach of academic honesty. For more information, please visit the Honor System web page at: <http://www.ksu.edu/honor>.

Topic list by week:

Weeks 1 and 2 (Introduction to the Investment Management Industry)

- Introduction to class, program, and Stock-Trak simulation
- What is an investment
- Investment alternatives
- Investment management institutions

Weeks 3, 4, 5, 6, 7 (Practical Exposure to the Functional Areas in the Investment Management Industry)

- Each week the four functional areas (accounting, finance, marketing, management) will be discussed and a guest speaker will be brought in from each functional area

**Exam 1**

Weeks 8, 9, 10 (Legal Issues in the Investment Management Industry)

- Who are the regulators
- What are the primary legal responsibilities of an investment management firm
- Compliance

**Exam 2**

Weeks 11 and 12 (Ethical Issues in the Investment Management Industry)

- Case studies
- Reporting requirements
- Matching products with needs

Week 13, 14, 15 (Practical Investment Management)

- Different investing styles
- How to manage equity portfolios
- How to manage debt portfolios
- Guest speakers from the industry

**Exam 3**

**Final Exam**



**College of Business Administration  
Department of Management  
Kansas State University**

**Changes in Catalog Description**

**New Course**

**ADD:**           **MANGT 566. Computer Systems for Finance and Investment Management.**  
**(3) I.** An integrated course examining the interrelationship between finance/investment management and information technology taught using a mixture of theory/concepts and hands-on activities. Topics include spreadsheet design and use in finance and investments, decision support systems and artificial intelligence used in risk analysis, financial database design, and information technologies used to transmit financial and investment information. PR: MANGT 366.

**Rationale:**    This course will be offered as part of the integrated investment management curriculum, which has courses developed across all departments in the College of Business. Unlike the prerequisite MANGT 366 course, this course will focus on the application of decision-making tools and information technology to the specialized areas of finance and investment management using integrated exercises and projects. It is intended for the business major who is interested in seeing the interrelationship between finance/investment management and information technology, as well as the MIS major who would like to see the application of information technology to the specialized areas of finance and investment management.

**Effective Date:**       Fall 2008

## **Management 566**

### **Computer Systems for Finance and Investment Management**

**Instructor** Brian Kovar  
**Office** Calvin Hall, Room 9A  
**Office Hours** Monday/Friday 10:45 am-12:00 pm  
Wednesday 11:30 am-12:00 pm  
Tuesday/Thursday 9:00am-9:15am  
Any time that I am in my office  
532-3981

**Phone**  
**E-Mail** BKOVAR@KSU.EDU

#### **Section Information Locations**

Class Web Page <http://info.cba.ksu.edu/bkovar/566>  
Class network drive location Instruct on 'Cba\_2'(S:)\Info\Bkovar\  
*Also known as S Drive*

#### **Course Description**

This course is an integrated course which examines the interrelationship between finance/investment management and information technology. Unlike the prerequisite MANGT 366 course, this course will focus on the application of decision-making tools and information technology to the specialized areas of finance and investment management using integrated exercises and projects. The course is taught using a mixture of theory/concepts and hands-on activities that focus on the integrated nature of portfolio and investment management with specialized information technology skills. Topics include spreadsheet design and use in finance and investments, decision support systems and artificial intelligence used in risk analysis, financial database design, and information technologies used to transmit financial and investment information.

This course is offered as part of the integrated investment management curriculum, which has courses developed across all departments in the College of Business. It is intended for the business major who is interested in seeing the interrelationship between finance/investment management and information technology, as well as the MIS major who would like to see the application of information technology to the specialized areas of finance and investment management.

#### **Students completing Computer Systems for Finance and Investment Management (MANGT 566) should be able to:**

1. Demonstrate an understanding of key concepts, theories and practices important in the use and management of information technologies in organizations operating in the finance and investment management industry.
2. Demonstrate an understanding of the types of information systems commonly used in organizations in the finance and investment management field, as well as how those

- systems are used.
3. Demonstrate an understanding of the interrelationship between finance/investment management and information technology.
  4. Demonstrate proficiency in the use of business applications software and other software tools commonly used by individuals working in the finance and investment management fields.

### **Prerequisites**

Due to the integrated nature of this course, you should have completed MANGT 366 (Management Information Systems).

### **Required Text & Materials**

Since this is a niche topic (integrating MIS with finance and investment management), there are no textbook publishers who publish a textbook that covers this topic area. Instead, a course packet has been assembled (available at the KSU Student Union) which features material and projects. Additional class materials will be distributed either in class or via the class web page (<http://info.cba.ksu.edu/bkovar/566>).

**Students are expected to be prepared for each class session.** Due to the interactive and integrated nature of the course, students will need to have a general understanding of the topic area when they arrive for class. Prior to each class session, students will have readings and overview questions (to be turned in) that will be used to prepare for class. Time in class will be spent expanding and clarifying concepts, exploring the integrated nature of MIS and finance/investment management, as well as working on hands-on activities. **Students should also be prepared to work on hands-on software projects outside of class.** Lectures and class discussion will cover important material from the textbook and outside sources. Students should take careful notes because **not all material discussed in class will be in the course packet.** A copy of the PowerPoint presentations/notes will be placed in **S Drive and on the class web page** prior to class time. **These notes will have blanks that will be filled in during class.** Students are encouraged to print the notes and bring them to class so the details can be filled in.

**Computer Applications** (for technical experience) Students will work out exercises and problems using the software appropriate to each assignment. **Each assignment is to be done individually.** For each software assignment, you will be expected to turn in a printed copy of the output as specified by the instructor. **Each assignment packet must also contain a cover page** with the following information centered: your name, assignment name, and the date. The pages should be **stapled** in the upper-left-hand corner. **DO NOT PAPER CLIP YOUR WORK. Make sure you proofread and spell check your work. Your grade will be determined by the appearance of your assignment package as well as the accuracy of the output.** For all computer assignments, the files that you create will be submitted to the respective **Assignments folder in S Drive** and the required printouts shall also be turned in.

**Quizzes and the final exam:** There will be regularly scheduled quizzes and unannounced “pop” quizzes. The point values assigned to each quiz can/will vary. The items on the quiz may consist of anything that was demonstrated during a classroom presentation or required on an assignment. Quiz items can come from any materials discussed in class or demonstrated in class, any assigned readings, and any computer activities. Although quizzes are not intended to be comprehensive, understanding the material from previous quizzes may be necessary in order to

answer questions on subsequent exams. **The instructor does reserve the right to retest any material on a quiz that was not appropriately comprehended.** The final exam will contain comprehensive items for the entire course.

### **Evaluation**

The course grade will be determined based on the following components using a 90%=A, 80%=B, 70%=C, 60%=D, and Below 60%=F breakdown:

<u>Homework/Assignments/Attendance/Being Prepared for Class</u>	40% of the final grade
Exams and Quizzes	50% of the final grade
Final Exam	10% of the final grade

### **Other Policies**

**Attendance:** Attendance will be taken daily and it will be a factor in determining the final course grade. If you know that you are going to miss class, please let me know in advance.

**Adjustments to attendance points may be made at the discretion of the instructor.** Quiz make-ups will only be allowed at the discretion of the instructor **if there has been prior notification regarding an absence.** If a quiz is allowed to be made-up after-the-fact, a **late quiz penalty will be imposed.**

***If you miss class...*** If a student is unable to attend a class session, it is the student's responsibility to acquire the class notes, assignments, and announcements. You should understand your own priorities and place this course in an appropriate position with your other life priorities – other courses, family, friends, social responsibilities, work, job interviews. You should not apologize for your choices or priorities, but should take responsibility for your actions. This means when you miss class, you should not apologize, but demonstrate your concern by taking responsibility for being prepared for the next class.

**Assignments:** Students are expected to work individually on **ALL** assignments. Assignments are due by the date and time specified. Work handed in after the due time (but still on the due date) will have a 25% late penalty. Work handed in the next day has a 50% late penalty. No work will be accepted beyond one day late. Failure to turn in any assignment will result in a grade of zero (0) for that particular assignment.

**Kansas State University Undergraduate Honor System:** It is expected in all academic work in the class that all work is done individually by you. Do not collaborate on any academic work unless specifically approved by your instructor. On all assignments, examinations, or other course work undertaken by undergraduate students, the following pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work."

**You are required to do your own work on all assignments. This means giving and receiving no assistance to/from other students. Consequently, sitting at a computer near another student and comparing answers is considered academic dishonesty, even if you are both creating your own file.**

The last date to drop a class without a "W" is September 25 and the last date to withdraw from a class is October 27.

**Need For Assistance:** If you have any condition, such as physical or learning disability, which will make it difficult for you to carry out the work as I have outlined, or which will require academic accommodations, please notify me as soon as possible.

All of the lectures in this class, PowerPoint presentations, handouts, and items published on the course web page are Copyright 2008, Brian Kovar and/or Kansas State University. Students are prohibited from selling (or being paid for taking) notes during this course to or by any person or commercial firm without the express written permission of the instructor teaching this course. Violations will be subject to enforcement under University policy and copyright laws.

### Tentative Course Outline

<u>Week</u>	<u>Dates</u>	<u>Topics</u>
1	<u>Week #1</u> <u>Aug. 21-25</u>	<u>Intro to the class</u> <u>Overview of the Integrated Nature of MIS &amp; Finance/Investment Management</u> <u>Financial Information Systems</u>
2	<u>Week #2</u> <u>Aug. 28-Sept. 1</u>	Financial Information Systems Design of spreadsheets for portfolio and investment management (applied examples) Integrating financial functions in spreadsheets designed for multi-use
3	Week #3 September 6-8	Integrating specialized Financial Functions Using Excel to obtain real-time online stock quotes & other online financial data Integrated spreadsheet activities for portfolio and investment management
4	Week #4 September 11-15	Guest Speaker Assessment of student financial/investment management spreadsheet skills
5	<u>Week #5</u> <u>September 18-22</u>	Web Design and Display: Specialized Skills, Issues and Concerns Related to Portfolio and Investment Management and online financial data.
6	Week #6 September 25-29	XBRL and XML: Implications and usage in the finance/investment management industry
7	Week #7 October 4-9	Decision Support Systems and Artificial Intelligence for Risk Analysis Discussion and survey of DSS and AI usage in finance and investment management: Examples from Industry.
8	Week #8 October 11-16	Decision Support Systems and Artificial Intelligence for Risk Analysis Developing an Expert System for Investment Management
9	Week #9 October 18-23	Integrating database design and the use of Microsoft Access in finance & investment management
10	Week #10 October 25-30	Integrating database design & querying financial data for investment management Software Activities: Integrating Database and Investment Management

- |    |                            |   |
|----|----------------------------|---|
| 11 | Week #11<br>November 1-6   | Assessment of database skills for finance and investment management<br>Integrated Finance/investment management database project  |
| 12 | Week #12<br>November 8-13  | Guest Speaker<br>ERP Overview<br>Intro to SAP and getting started in SAP  |
| 13 | Week #13<br>November 15-19 | ERP: SAP Treasury Management Case Study   |
| 14 | Week #14<br>November 22    | Test/Quiz<br>Thanksgiving Break   |
| 15 | Week #15<br>Nov. 27-Dec. 1 | Integrated Problem-Solving case: The Stock Portfolio Restructuring Case<br>(integrating all of the tools, skills, activities and class topics in a comprehensive project) |
| 16 | Week #16<br>December 4-8   | Continue: The Stock Portfolio Restructuring Case<br>Overview of the Integrated Nature of information systems &<br>Finance/Investment Management: Tying it all together    |

**Comprehensive Final Exam: ???day December ?? at ??????m**

**College of Business Administration  
Department of Accounting  
Kansas State University**

**Changes in Catalog Description**

**New Course**

**Add:**            **ACCTG 445. Financial Statement Analysis. (3) II.** This course will develop a student's skills and knowledge in the analysis and interpretation of corporate financial statements and their related footnotes. The class will encourage the student to think logically and creatively about the strengths and weaknesses of accounting information available to investors and shareholders. The main course objective is for the student to be capable of doing an in-depth analysis of a company's financial and operating performance from several financial statements. PR: ACCTG 231, ACCTG 241 and FINAN 450.

**Rationale:**        This course will be offered as part of the integrated investment management curriculum, which has courses developed across all departments in the College of Business. It is intended for the business major who is interested in seeing the interrelationship between finance and accounting, as well as both the accounting and finance majors who would like to see the application of financial statement analysis to the specialized area of investment management.

**Effective Date:**    Fall 2008

**ACCTG 445: FINANCIAL STATEMENT ANALYSIS**

**SPRING 200x**

**INSTRUCTOR:** Dr. David R. Vruwink

**OFFICE:** Calvin 214   **OFFICE PHONE:** 532-5897, **E-MAIL ADDRESS:**  
[dvruwink@ksu.edu](mailto:dvruwink@ksu.edu)

**OFFICE HOURS:** TU, TR 9:30-11:30AM , 01:30PM-02:30PM and by appointment.

**TEXTBOOKS:** Financial Statement Analysis, 9<sup>th</sup> edition, by Wild, Subramanyam and Halsey

**MISSION STATEMENT:** This course will develop a student's skills and knowledge in the analysis and interpretation of corporate financial statements and their related footnotes. The class will encourage the student to think logically and creatively about the strengths and weaknesses of accounting information available to investors and shareholders. The main course objective is for the student to be capable of doing an in-depth analysis of a company's financial and operating performance from several financial statements.

**QUIZZES:** A short quiz will be given at the end of class on a random basis throughout the semester. The quiz will cover the main points of the preceding and current lecture and assigned problems. No make-up quizzes will be given without notification to the instructor that the student will be absent for that class. However, the lowest quiz score will be dropped at the end of the semester.

**EXAMS:** Each regular exam will consist of three short essay questions, twenty multiple-choice questions and two problems for analysis. The essay questions will be taken from either previously assigned problems or lecture notes.

**ASSIGNMENTS:** Each student is expected to have read the assigned material and answered the problems or cases prior to coming to class. Each student should have an equal opportunity to provide answers as assignments are covered in class. The instructor reserves the right to random collection of part of an assignment before or after each class. Low grade will be dropped.

**GRADING:** During the semester you will have three regular exams, a final exam, assignments, quizzes and a report and presentation.

Exam I	100 pts
Exam II	100 pts
Exam III	100 pts
Final Exam	100 pts
Assignments (5)	20 pts



Quizzes (5)	20 pts (5 pts each)
Report	30 pts
Presentation	<u>30 pts</u>
Total Points	500 pts

Grades are based on the following scale:

A	90-100%
B	80-89%
C	70-79%
D	60-69%
F	Below 60

Exam scores are curved. The basis for the curve is the top ten percent of the raw scores or the median raw score of the class, whichever results in the best bell-shape curve for the class. For example, assume the top ten percent had an average of 90. Ten points would be added to each student's score.

**STUDENT REPORT AND PRESENTATION:** Two or three students will write a brief report that should include a (1) title page, (2) table of contents, (3) sub-headings, and (4) references. The basis of the report should center on analysis of the company's financial statements. For example, all reports would include analysis of the balance sheet, income statement and statement of cash flows for the prior three years. Students could use key ratios of each financial statement or highlight major differences between the company and a competitor. Other factors such as growth of earnings and/ or sales could be included in the analysis. Students are encouraged to first select a company that was included in the **Student Investment Portfolio** and then compare it the best company or main competitor in that industry. The group should then recommend, based on their analysis, which company is the better investment.

The group should register the company with the instructor to avoid having several groups writing a report on the same company. In addition, each group will present the highlights of the report to the class (maximum length of presentation - 10 minutes). Students may also submit rough drafts to the instructor for guidance. The primary goal of the report is for students to be able to interpret and analyze accounting information in the financial statements.

**ACADEMIC DISHONESTY POLICY:** Plagiarism and cheating are serious offenses and may be punished by failure on the exams, paper or project; failure in the course; and/or expulsion from the university, For more information refer to the "Academic Dishonesty" policy in Inside KSU.

**DATE                      ASSIGNMENT (tentative) for Financial Statement Analysis**

TR, Jan 11	Introduction to Financial Statement Analysis
TU, Jan 16	Business Analysis, Read Chap. 1, pp.2-23, Ex. 1, 3, 4, P1, 2, Case 4
TR, Jan 18	Financial Statement Analysis, Read Chap. 1, pp.24-41, Ex. 2,5,8, P4, 6, Case 1

TU, Jan 23 2	Financial Reporting and Analysis, Read Chap. 2, pp. 60-83, Ex. 2,4,5, P3,4, C
TR, Jan 25 6, C1	Introduction to Accounting Analysis, Read Chap. 2, pp. 84-97, Ex. 1,3,7. P2,
TU, Jan 30 C3	Analyzing Financing Activities, Read Chap. 3, pp. 114-145, Ex. 3,5,6, P1,2,
TR, Feb 1	Contingencies, Read Chap. 3, pp.146-166, Ex.1,2,5, P3,4, C4
TU, Feb 6	EXAM I, Chapters 1, 2 and 3
TR, Feb 8	Review EXAM I / Start discussion on group projects
TU, Feb 13	Analyzing Investing Activities, Read Chap. 4, pp. 194-213, Ex. 4,6,7,P2,3, C5
TR, Feb 15	Plant Assets and Natural Resources, Read Chap. 4, pp. 214-224, Ex. 2,3, 5,P1,4,C4
TU, Feb 20	Inter-corporate Investments, Read Chap. 5, pp. 236-262, Ex. 2,4,5,P4, 7 and C6
TR, Feb 22	Derivative Securities, Read Chap. 5, pp.263-279, Ex. 1, 6,7, P2,3, and C4
TU, Feb27 and C2	Analyzing Operating Activities, Read Chap. 6, pp. 296-329, Ex. 1,2,3, P3,5,
TR, Mar 1	Employee Benefits, Read Chap.6, pp. 330-347, Ex.5,7,8, P1,4 and C4.
TU, Mar 6	EXAM II, Chapters 4, 5 and 6
TR, Mar 8	Review EXAM II / Form groups for analysis of companies
TU, Mar 13	Liquidity and Working Capital, Read Chap. 10, pp.500-518, Ex.2,4,5,P2,3,C1
TR, Mar 15	Basics of Solvency, Read Chap.10, pp. 519-537, Ex. 1,3,6, P4,6,and C5
TU, Mar 20	SPRING BREAK
TR, Mar 22	SPRING BREAK
TU, Mar 27	Statement of Cash flows, Read Chap. 7, pp.372-384, Ex.2,5,6,P1,2, and C1
TR, Mar 29	Analysis of Cash flows, Read Chap.7, pp.385-391, Ex. 1,3,4,P3,4 and C3
TU, Apr 3	Return of Invested Capital, Read Chap. 8, pp.416-433, Ex. 2,4,7,P2,5, C3
TR, Apr 5	Analyzing Return on Equity, Read Chap. 8, pp.434-442, Ex. 1,3,6, P1,3,C4
TU, Apr 10	EXAM III, Chapters 10, 7 and 8
TR, Apr 12	Review EXAM III / Set Dates for Presentations
TU, Apr 17	Equity Analysis and Valuation, Read Chapter 11, pp.572-583, Ex.2, 6, P3,4, C1
TR, Apr 19 8,P5,6,C3	Earnings-Based Equity Valuation, Read chap. 11, pp.584-593, Ex.3,5,

TU, Apr 24      Prospective Analysis, Read Chap. 9, pp. 462-476, Ex2,4,5. / Presentations  
TR, Apr 26      Work P3,5 and C4 / Presentations

TU, May 1      Comprehensive Case, Read pp.606-643 / Presentations  
TR, May 3      Work Ex. 1,4,7,P2 ,3, and C1. / Presentations

**WED, May 9      FINAL EXAM: (4:10-6:00 p.m.)**

**College of Business Administration  
Department of Marketing  
Kansas State University**

**Changes in Catalog Description**

**New Course**

**Add:**                    **MKTG 497. Topics in Financial Services Marketing.** (3) On sufficient demand. Discussion and analysis of current issues in the marketing of financial services, including topics related to new theory, the practice of marketing, and marketing applications. Pr.: will vary by topic offered.

**Rationale:**            This course will allow faculty to teach a special topics course in the field of financial services marketing for undergraduates on occasion. The course will support the Certificate in Integrated Investment Management offered by the College of Business Administration. By creating a special topics course, faculty have some flexibility to experiment with new topics and methods of delivery. At present there is no general course number for marketing faculty to use for this purpose. The course will require no additional resources, as it will only be offered when resources exist.

**Effective Date:**    Fall 2008

## **MKTG 497 Topics in Financial Services Marketing**

### **Example of course taught under this course title:**

#### **Course Syllabus**

Instructor: Kevin Gwinner  
Office: Calvin 201  
Office Phone: 532-2783  
Office Hours: to be determined

This course is designed to give you experience in dealing with issues that arise in the marketing of financial products. Specific topics include market segmentation, product positioning, product line extensions, channel selection decisions, customer relationship management, managing a sales force, and competitive analysis. Students will prepare written case assessments and present case materials to the class.

#### **Course materials**

You will need to purchase the cases from Harvard Business School. I have created a course area on the Harvard Business Online website where you can order the required materials for this course.

Click on the link below to order the course materials.  
*(insert current HBS URL for course here)*

If you have not registered with Harvard Business Online, you will be required to do so. The downloaded course materials are encrypted using “SealedMedia”. Use the following link to download the plug-in to be able to view the cases.  
<http://download.sealedmedia.com/unsealer/index.asp>

You will have immediate access to the materials upon placing your order, for subsequent access, you must login to <http://harvardbusinessonline.org>

I hope you find this a convenient way to access your course materials.

For technical assistance, please view the Quick Tips section on the HBS web site or contact Harvard Business School Publishing at 1-800-810-8858. They are open 8am-6pm Eastern Standard Time. They can also be reached at [techhelp@hbsp.harvard.edu](mailto:techhelp@hbsp.harvard.edu)

#### **Course Objectives**

1. Provide you with the opportunity to integrate and exercise your marketing skills in strategic problem solving situations within the context of the financial services industry.

2. You will learn to work with highly unstructured problems.
3. Through your case teams, you will have an opportunity to experience group decision making processes and improve your powers of persuasion.
4. Given the highly interactive nature of the class, you will have the opportunity to improve and refine your presentation skills, interpersonal skills, and ability to "think on your feet."

### **Course Format**

This course will utilize a case format. There are some things that a teacher can not "learn" you. Solving complex marketing problems is one of those things. Cases provide you with an opportunity to learn through experimentation and feedback. The more you experiment (work the cases) and the more feedback you get (class presentations and discussions) the faster you will learn.

Cases are designed to be complex, messy situations that a marketing decision maker might experience. Cases are not designed to be orderly, or to provide you data in a straight forward manner. In fact, often there is more information than you need. Sometimes a case will present the reader with several alternatives that are being considered. These are often good starting points, but should NOT inhibit a team from going beyond what is being considered in the case.

Finally, many students are often initially frustrated by case instruction because it is so unstructured and without clear-cut solutions. There will almost always be more than one "correct" way to approach the problems you will evaluate in the cases. As opposed to looking for a specific solution to each case, we will focus on how teams identify the problem(s), how they arrive at various alternatives, how they evaluate the alternatives, how the team suggests implementing the alternatives, and the chosen alternatives likely success and fit with organizational objectives.

### **Team case assignments**

Each team will present two cases to the class. For their first case, each team will present, but not turn in a written evaluation of the case. Of course, in order to do the case effectively, you will need to read, evaluate, and decide on a course of action. The presentations should follow the format given below for the written assignments and be approximately 30 minutes in length. The second case each team presents will also be accompanied by a written evaluation of the case (10 - 15 pages). This should include the following:

- A. Brief summary of the strategic situation
- B. Situation analysis (SWOT)
- C. Assumptions
- D. Central decision problem and any subproblems
- E. Alternative identification

- F. Criteria for alternative evaluation
- G. Analysis of alternatives
- H. Conclusion and recommendation
- I. Implementation plans (who, when, how)

The main emphasis should be focused on parts D thru G. We will discuss this format in more detail during the class.

In terms of the case presentations, there are a few things to keep in mind.

1. It is understood that English is not everyone's native tongue, we all understand and make the necessary allowances.
2. Every team member must participate.
3. The use of appropriate visuals (overheads, power point, etc.) is highly recommended.

**Team case questions**

Each team will be assigned to answer questions on the cases you are not presenting. These are to be submitted during the class period the case is being presented. These responses will typically be 4 to 5 typed pages. The case questions will be handed out during the first week.

**Grading**

Class participation, in-class assignments, and peer review	200
1 team presentation case	100
1 team presentation and write-up case (10 - 15 pages)	200
10 team case questions (4 - 5 pages max)	200 (20 each)
Final Exam	<u>200</u>
TOTAL	900

Final grades will be assigned as follows:

- A = 810 - 900
- B = 720 - 809
- C = 630 - 719
- D = 540 - 629
- F = Below 540

## Tentative Schedule

Each module will utilize a mix of lecture content, case analysis and active learning assignments. Sometimes the lecture material will come prior to the cases when it is needed to do a complete the analysis; other times the lecture points will follow the case presentation as a way to reinforce and tie all of the learning points together.

Date	Activity
Week 1	Introduction to course material and the case method
<b>Module 1: Segmenting the Financial Services Market</b>	
Markets are not homogeneous. A firm cannot connect with all customers in large markets. Customer groups vary on many dimensions and can often be grouped into meaningful segments which will allow a company to target and concentrate on specific segments. In this module we will be exploring the advantages and disadvantages of different bases upon which to segment financial services markets.	
Week 2 to Week 4	<b>Marketing at The Vanguard Group case</b> Senior executives at Vanguard are evaluating their marketing strategy. In particular, they are looking at their approach to market segmentation, the organization of the marketing function, and the weight placed on marketing metrics in the corporate dashboard in light of an economic and stock market downturn.
	<b>Marketing Financial Services to the African-American Consumer: A Comparative Analysis of Investment Portfolio Composition (California Mgmt Review article)</b> This study profiles the changing demographics and unique consumption patterns of the African-American consumer segment of the financial services market. When it comes to the selection and purchase of financial products and services, African-American consumers differ markedly from their white counterparts. This is especially apparent in the case of relatively high-risk, high-return financial assets, resulting in a diminished rate of wealth accumulation over time in African-American households. This article offers suggestions to marketers seeking to render more effective service to this attractive and growing segment of the financial services marketplace.
<b>Module 2: Product line extension and product positioning</b>	
No company can succeed if its products and services look just like those offered by all of its competitors. Companies must pursue relevant positioning for their products and services in an effort to meaningfully differentiate them in a positive light. In this module, we will examine the concepts of points-of-parity and points-of-difference, differentiation strategies and product line length and analysis.	
Week 5 to Week 8	<b>BayFunds case</b> In June, 1994, the Senior Vice President of BayBank's Investment Management Group is preparing a strategic plan for her organization's line of mutual funds. Sixteen months earlier, BayBank, Massachusetts's leading retail bank, had entered the mutual fund business by successfully launching BayFunds, a family of proprietary mutual funds. Now management faces a new set of marketing challenges to develop the business further. How can the mix of funds offered be extended to meet changing market and economic conditions, and what combination of proprietary and third-party funds would be most effective in attracting and retaining customers? In addition, management must also find ways to integrate the mutual funds business further into BayBank's core operations and systems while coping with a complex and uncertain regulatory environment.
	<b>Charles Schwab Corp.: Introducing a New Brand case</b> As the financial services industry converges, how should Charles Schwab, widely known as a discount brokerage firm, position its brand? This case presents elements of the company's overall brand strategy--including brand assets, choice of target audience, and media message.
	<b>ING Direct: Considering E-brokering case</b> ING Group is one of the 10 largest financial services companies in the world. The president of ING Direct USA is considering adding e-brokering to the ING Direct portfolio. He must examine the company's overall strategy, marketing strategy, operations, information technology, and finances to help determine whether the company should grow its own e-brokerage or buy one of three potential e-brokerage targets.



<b>Module 3: Channel selection decisions in the financial services industry</b>	
Successful value creation goes hand-in-hand with value delivery. Today, companies are taking a very close look at how their products and services are delivered in the marketplace. Innovative delivery systems, integration up and down the supply chain, and new ways for customers to take control are all being examined by the most progressive firms. In this module, we will consider different issues in the delivery of financial service products including sales force priorities, channel – design decisions, and self-service options.	
Week 9	<b>Raymond James Financial case</b> Raymond James Financial currently sells financial services through two channels. It is considering adding a third in the "middle" of the other two. The current strategy has one channel with employees and another with independent contractors. These attract very different financial advisers with various interests. The new proposal would create a "quasi" employee who would have some of the benefits of being an employee, but enjoy a lot more freedom than a traditional employee in running his or her own business. The case raises many important issues at a general level as well as those specific to financial service industries.
<b>Module 4: Optimizing customer relationship management systems in selling financial services</b>	
Increasingly, the goal of marketing is to develop deep, enduring relationships between the firm and its customers. There are many advantages to both companies and customers that accrue from being in a “relationship” with a service firm as opposed to simply engaging in anonymous “transactions.” In this module we will explore the benefits of relationships, strategies for building customer relationships, and the life-time-value of a customer concept.	
Week 10	<b>Amagansett Funds (A) case</b> Amagansett Funds has had a troubled history with its customer relationship management (CRM) system. Sales agents feel that they derive no value from it and that it is a "tax on their jobs." Amagansett is investigating whether CRM can be improved by making its data available wirelessly to Blackberry devices.
<b>Module 5: Issues in sales force recruitment for financial services firms</b>	
A company is only as good as its people. It is often up to the sales force to build trust and develop relationships with clients. In this module we will explore issues related to sales force structure and design, sales force recruitment and training, and sales force motivation and evaluation.	
Week 11 to Week 12	<b>Howard, Shea &amp; Chan Asset Management (A) case</b> A medium-sized investment management firm is attempting to decide whether to try to grow, and if so, how. It is a complicated decision because the managing partner and her colleagues have significantly different views. This case provides the background on the industry, firm, and situation.
	<b>Howard, Shea &amp; Chan Asset Management (B) case</b> Part B continues the plot about growth and sales strategies, and adds interesting pricing and sales compensation elements. The partners' meeting sharpens the disagreements among the five partners, and forces Anne Howard, the managing partner, to develop a clear action plan.
	<b>Howard, Shea &amp; Chan Asset Management (C) case</b> Part C goes to the heart of the sales strategy issues by asking discussion participants to: 1) develop a salesperson recruiting process, 2) choose among four resumes, and 3) develop a sales compensation approach.
<b>Module 6: Competitive analysis and strategic growth considerations</b>	
Developing marketing plans is both an art and a science; and it involves a variety of decisions. Crucial to this process is understanding one’s competitors, including their current strategies and likely future actions. This module will explore the issue of competitive intelligence with a particular focus on research tools that may allow one to build and utilize a marketing intelligence system.	
Week 13 To Week 16	<b>New York Life Insurance Co.: Pension Department case</b> This case calls for a competitive analysis of the pension fund industry. In particular, New York Life must decide whether to compete head-to-head with mutual fund giants by offering record-keeping services or to just continue to focus on selling investment products. Market research study results are presented to help address the question.
	<b>IDS Financial Services (Condensed) case</b> This case highlights the decision that must be made on balancing customer acquisition and retention and de-emphasizing the structural issues involved in administering an independent contractor sales force. The role of competitors must be taken into account in developing a growth strategy.



**Kansas State University**  
**College of Business**  
**Department of Finance**  
**FINAN 653—Security and Portfolio Analysis**

Instructor: Dr. Eric Higgins  
Office: 117A Calvin Hall  
Phone: 532-3936  
email: ehiggins@ksu.edu  
Office hours: T TH 9:30-11:00 or by appointment  
Course information on web: <http://info.cba.ksu.edu/higgins>

**Course Materials:**

Readings, notes, and examples posted on my website.

For additional information, see [www.damodaran.com](http://www.damodaran.com)

The Wall Street Journal

You are expected to stay current with all financial news. The best way to do this is to read the Wall Street Journal and to track financial news via the web. Expect to spend several hours a week just staying current with financial news.

**Prerequisites**

FINAN 510 and FINAN 520. If you do not have these prerequisite courses, you will be dropped from the class.

**Course Objectives and Outcomes**

In this course, you have the opportunity to manage an actual investment portfolio. The students in the course will make buy/sell recommendations and will track the performance of the portfolio. As such, the focus of the course is on valuation and portfolio management. This course gives students a chance to apply the academic material that we will cover. This course is not an easy course. In fact, it may involve more work than any class that you have had up to this point in your academic career. However, you may find that this course is one of the most valuable courses that you take due to its “real-world” nature.

A student having completed FINAN 653 should:

1. Be able to conduct a search for information related to the valuation of a company.

2. Be able to apply ratio analysis to identify the strengths and weaknesses of a company.
3. Have a thorough understanding of company valuation using discounted cash flow techniques.
4. Have a thorough understanding of company valuation using relative valuation techniques.
5. Be able to apply discounted cash flow and relative valuation techniques in order to determine if a company is undervalued or overvalued.
6. Understand basic concepts related to the management of equity portfolios.

## Course Requirements

### Student Teams

All students will be assigned to a team. The teams will function much like sub-groups within an investment management firm, having responsibilities for particular stocks or industry segments. In this course we are investing real money, so an important element of the course is the team's ability to deliver timely and accurate investment information to the class. The student teams have a lot of responsibilities. It is important to delegate work amongst the team members and it is important that all team members contribute. Therefore, team members will have the opportunity to evaluate one another throughout the semester. **The peer evaluations will factor into both your participation grade and your grade on each new stock presentation.** If it appears as if one or more group members are not contributing, a group meeting will be held to work out any problems. If the group meeting is not successful, the non-contributing group members will be removed and will receive 0 points for the group portion of the grade. The responsibilities of the student teams are as follows:

#### 1. New Stock Analysis

Each team is responsible for identifying two new stocks for possible inclusion into the investment portfolio. The team must adhere to the goals and guidelines of the investment portfolio when making investment selections. Each team will make a verbal and written presentation to the class on a potential buy recommendation that has resulted from the team's analyses. The analysis report and presentation should be accurate and thorough. Each team must inform the class of their stock picks prior to the presentation. Copies of the spreadsheet analysis should be provided to the class one class period before the presentation. Additionally, final copies of the spreadsheets should be turned in after the presentation. Dates are outlined in the course schedule. The class serves as the investment advisory board and a 2/3 majority vote is needed to implement the team's recommendation.

#### 2. Supplemental Stock Analysis

Every team must complete an abbreviated analysis of the stocks being presented by the other groups. If you are to make an informed vote on the team's recommendation, you have to be current.

#### 3. Company Reports

Each group will be assigned one or more stocks currently in the portfolio to track during the course. Each Thursday, I will ask the teams if there is any information that we need to know about the companies they are following.

Additionally, I will have some specific assignments that help prepare you for the new stock pick. In addition to presenting your findings, you must prepare a written summary of your assignment that will be collected and graded.

We must keep informed on the investments that are currently in our portfolio. If the team determines that the stock's target price should be altered or if a team wants to change our holdings, the team may present this to the class. Again, a 2/3 vote is needed to make any changes to the portfolio.

#### 4. Market Updates

On Tuesday's, a different team will be responsible for updating the class on any major movements in the equity markets and on any important events in the financial world during the past week. Paying attention to recent "Abreast of the Market" and "Heard on the Street" columns from the Wall Street Journal will help you enormously in this. Note, that just saying "the Dow was up 30 points last week" will get you an F for this part of the course. It also helps to focus on the industries that we will be following for the semester. Be creative, but remember what we need is your analysis of the market. We need to know how market events will affect our investments. Pay particular attention to the industries that we will be following. Additionally, provide any relevant updates on the companies that are in the portfolio.

On my website, I have a detailed set of guidelines for the team assignments.

I am expecting that the teams will treat this course as if you were investment managers, which, in this class, you are! Therefore, I expect a high level of professionalism. As a result, failing to turn in a report on time will result in a grade of zero for that part of the course. Poor grammar, typographical errors, etc, will also result in grade deductions. Would you forgive your mutual fund manager for poor performance because his/her dog ate the disk containing the funds research? Not likely. Be professional!

### **Individual Work**

#### 1. Exams

There will be two mid-term exams and a comprehensive final. The exams will cover the valuation and portfolio management techniques discussed in class.

#### 2. Participation

Most of the learning in the course will come from class discussion, thus your participation and attendance are essential! I will randomly call on individuals during class to answer questions, give periodic homework assignments, and give in-class quizzes. These activities are meant to reinforce the valuation and portfolio management techniques that are covered in class. If you miss any of these activities, 5 points will be deducted from your participation grade for each miss. Additionally, peer evaluations will factor not only into your grade on

the team assignments but also into your participation grade. (Note, you can end up with negative participation points.)

## Grading

Your final grade will be based upon the total number of points that you earn in the course based upon the following distribution:

Assignment	Points
Team Work:	
<b>New Stock Analysis</b>	2*175 = 350
<b>Supplementary Stock Analysis</b>	10*10 = 100
<b>Market Update</b>	50
<b>Company Reports</b>	5*20 = 100
Total Team Work:	600
Individual Work:	
<b>Mid-Term Exams</b>	2*100 = 200
<b>Final Exam</b>	100
<b>Participation</b>	100
<b><i>Total Individual Work</i></b>	400
<b><i>Course Total</i></b>	1000

**Important note:** You must contact me **before** an exam in order to be excused. There are no exceptions to this rule. I will determine excusable absences.

**Class Attendance:** Attendance is expected throughout the course. You must attend to stay current and help the class make informed investment decisions. Class attendance is especially important during new stock presentations. **Only excused absences from class are allowed on new stock presentation days.** You must contact me before the class period in order to be excused. Unexcused absences from your group's new stock presentation will result in an 100 point deduction from your Participation grade. Unexcused absences from any other group's stock presentation will result in a 50 point deduction from your Participation grade.

## Course Schedule

A tentative course schedule is posted on my website. Of particular importance are the dates for market updates, company reports, and new stock presentations. These will be fixed. Classroom coverage may vary given a variety of factors. Most importantly, market conditions may force us to change our discussions. You need to be keeping up with the course material on your own. Class meeting times are an opportunity for you to discuss the issues raised and to work practical examples. Come prepared for class!

### **Other Things You Need to Know**

1. If you have not met the prerequisites, the Finance Department has the right to drop you from this class.
2. The last day to drop this course without receiving a W is 9/25. The last day to drop this class with a W is 10/27.
3. If you have any condition, such as a physical or learning disability, which will make it difficult for you to carry out the work as I have outlined or which will require academic accommodations, please notify me in the first two weeks of the course.
4. Kansas State University has an Undergraduate Honor System based on personal integrity which is presumed to be sufficient assurance that in academic matters one's work is performed honestly and without unauthorized assistance. Undergraduate students, by registrations, acknowledge the jurisdiction of the Undergraduate Honor System. The policies and procedures of the Undergraduate Honor System apply to all full and part-time students enrolled in undergraduate courses on-campus, off-campus, and via distance learning. A prominent part of the Honor System is the inclusion of the Honor Pledge which applies to all assignments, examinations, or other course work undertaken by undergraduate students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." A grade of XF can result from a breach of academic honesty. An XF would be failure of the course with the X on the transcript indicating failure as a result of a breach of academic honesty. For more information, please visit the Honor System web page at: <http://www.ksu.edu/honor> .

## **Principles of Finance - FINAN 450 Spring 2007**

Instructor : Scott Hendrix  
E-Mail : [hendrix@ksu.edu](mailto:hendrix@ksu.edu)  
Office Hours: Wed 10am -12pm and by appointment

Phone : 532-4369  
Office : Calvin Hall 10-C  
Website: K-State Online

Course Description: Study of the basic principles of finance, including discounted cash flow analysis, risk-return tradeoff, asset pricing models, and financial and real asset valuation. Applications of these concepts to the firm's investment and financing decisions and performance analysis will be discussed.

Prerequisites: Econ-120, Stat-350, Acctg-231. If you have not had these prerequisite courses, you should not enroll in this class. If you have not met the prerequisites, the Finance Department has the right to drop you from this class.

Student Learning Outcomes: Upon successfully completing this course, students should be able to:

1. Describe the objective of the firm.
2. Conduct basic financial statement analysis.
3. Use time value of money concepts to evaluate financial and real assets.
4. Calculate the basic measures of risk and explain the relationship between risk and return.
5. Calculate a firm's cost of capital.
6. Explain the effects of financial leverage.

Grading : There will be four exams during the semester (three intermediate exams and a final). The final exam will be cumulative focusing on the most important topics covered during the semester (40%) and material covered after the third exam (60%); this final is known as a 40/60 final. The three intermediate exams will not be deliberately cumulative, although concepts developed early in the course may be necessarily employed later in the semester. Examinations will cover class discussions, assigned problems, and assigned readings with emphasis on what is presented in class. The three intermediate exams and final exam are equally weighted at 25%.

There are no makeup exams. In the event of a single missed exam, students will be allowed to take a special, more heavily weighted final exam that will count for both the missed exam and the final. The composition of this exam will be 40% from the missed exam, 20% comprehensive, and 40% from material covered after the third exam (a 40/20/40 exam). In the event of two missed exams, the grade on the second exam is a zero. Students who take all three intermediate exams will have the option of taking a 40/20/40 final to replace an exam of their choice. Please remember that taking a 40/20/40 is exactly like taking two exams at once; therefore the exam average tends to be lower.

The grading scale for the course is no higher than :

- A ~ Excellent work = 88 and above
- B ~ Good work = 77- 87
- C ~ Fair work = 65 - 76
- D ~ Poor work = 50 -64
- F ~ Failure = below 50%

Course Policies: Class attendance is optional but strongly encouraged, as the exams will cover subjects from class discussions and problems. Students are expected to have read the assigned



chapters and worked the assigned problems before coming to class. In the event of an absence, it is your responsibility to determine what was discussed from other students; *I do not do tutorials for those who miss class or Wednesday sessions*. The attached schedule is tentative and thus subject to modification if any need emerges during the course. All changes will be announced in class. Students not attending class are responsible for attaining this information.

There will be very rigorous rules in place during exams; the full description will be made in class and on the course website. Failure to exactly follow these will result in an exam grade of zero.

Textbooks:

Fundamentals of Corporate Finance, 7<sup>th</sup> edition , Ross, Westerfield and Jordan, © 2006, McGraw-Hill Irwin. There’s also a study guide that has practice problems.

WSJ Complete Money and Investing Guidebook, Dave Kansas, © 2005 Three Rivers Press

Suggested: Wall Street Journal – expectation is that you have daily access

A financial calculator

The textbook website : [www.mhhe.com/rwj](http://www.mhhe.com/rwj)

If you have any condition, such a physical or learning disability, which will make it difficult for you to carry out the work as I have outlined it or which will require academic accommodations, please notify me in the first two weeks of the course.

KANSAS STATE UNIVERSITY UNDERGRADUATE HONOR SYSTEM

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**Tentative Class Schedule**

<u>Week of</u>	<u>Topics</u>	<u>Chapters</u>
Jan 8	Syllabus, course policies	
15	Introduction, Markets	1, selections from 16
22	Time Value of Money – Single cash flows	5
29	Time Value of Money – Multiple cash flows	6
Feb 5	<b>Exam 1 – February 7@ 5:30pm in Umberger 105</b>	
12	Introduction to Return and Risk	12

19	Capital Market History	12
26	Return and Risk	13
Mar 5	Financial Models	13
12	<b>Exam 2 – March 14@ 5:30pm in Umberger 105</b>	
19	Spring Break	
26	Bonds – Introduction and Valuation	7
Apr 2	Stocks – Introduction and Valuation	8
9	Financial Statement Analysis	selected pages from 2, 3
16	<b>Exam 3 – April 18 @ 5:30pm in Umberger 105</b>	
25	Cost of Capital	15
30	Capital Budgeting and Economic Cash Flows	9 and selected pages from 10
May 7	<b>Final Exam – Tuesday, May 8 @7pm in Umberger 105</b>	

Important Dates : Last day to drop the course without W: Thursday, February 15  
Last day to drop the course with a W: Monday, March 19