

**BUS 210**  
**INVESTMENT ANALYSIS**

**COURSE DESCRIPTION:**

Prerequisites: ACC 120

Corequisites: None

This course examines the concepts related to financial investment and the fundamentals of managing investments. Emphasis is on the securities markets, stocks, bonds, and mutual funds as well as tax implications of investment alternatives. Upon completion, students should be able to analyze and interpret investment alternatives and report findings to users of financial information. Course Hours Per Week: Class, 3. Semester Hours Credit, 3.

**COURSE OBJECTIVES:**

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

- a. Demonstrate the ability to objectively identify and assess resources that can provide accurate information.
- b. Understand the structure of financial statements.
- c. Determine methods of financing business activities.
- d. Analyze financial information.
- e. Demonstrate an understanding of the basic principles of taxation relevant to business activities.
- f. Identify investment opportunities available to the investor.
- g. Differentiate between equity and debt capital.
- h. Identify investment tax advantages.
- i. Understand how securities are bought and sold.
- j. Analyze business cycles, interest rates, and other macroeconomic concepts.
- k. Describe how auction markets and negotiated markets operate.
- l. Evaluate progress toward investment goals and objectives.

**OUTLINE OF INSTRUCTION:**

- I. Investment alternatives
  - A. Marketable securities
  - B. Organized markets
  - C. Real assets
- II. Equity securities
  - A. Common stock
  - B. Preferred stock
  - C. Investment companies and mutual funds
- III. Debt securities

## BUS 210

- A. Corporate bonds
  - B. State and local government bonds
  - C. U.S. Government and Federal Agency Securities
- IV. Risks and returns
- A. Measuring risks and returns
  - B. Sources of risk
- V. How the securities business works
- A. Overview of the securities markets
  - B. The role of investment bankers
  - C. The stockbrokerage industry
  - D. Regulation of the securities industry
- VI. Services of stockbrokerage firms
- A. Stockbrokers
  - B. Opening an account
  - C. Registration of stock certificates
  - D. Investor services
- VII. The New York Stock Exchange
- A. Development and organization
  - B. Executing orders on the exchange
- VIII. Averages and indexes
- A. Stock market
  - B. Bond market
- IX. Sources of information
- A. Organizing information
  - B. The cost of information
- X. Analyzing the economy, industries and companies
- A. Stock prices and economic activity
  - B. Trends
  - C. General characteristics
  - D. Role of government, social trends, and technology growth
  - E. Products and markets
  - F. Management
  - G. Financial statements
- XI. Financial statement analysis and valuation
- A. Financial analysis
  - B. Determining values
- XII. Technical analysis, formula plans and investment strategies
- A. Charts

## BUS 210

- B. Technical indicators
  - C. Formula plans
- XIII. Making investment decisions
- A. Financial planning
  - B. Modern portfolio theory
- XIV. Taxes and tax shelters
- A. Income taxes
  - B. Tax shelters
- XV. Antiques, gems, and other investments
- A. Antiques and arts
  - B. Gems
  - C. Other investments
- XVI. Convertible securities, warrants, and rights
- A. Convertible bonds and Preferred bonds
  - B. Warrants
  - C. Rights
- XVII. Commodities
- A. Trading futures
  - B. Mechanics of trading
  - C. Futures vs. options

### **REQUIRED TEXTBOOKS AND MATERIALS:**

Bodie, Kane, and Marcus. Essentials of Investments. 5<sup>th</sup> ed. Boston: Irwin/McGraw Hill, 2004.

### **STATEMENT FOR STUDENTS WITH DISABILITIES:**

Students who require academic accommodations due to any physical, psychological, or learning disability are encouraged to request assistance from a disability services counselor within the first two weeks of class. Likewise, students who potentially require emergency medical attention due to any chronic health condition are encouraged to disclose this information to a disability services counselor within the first two weeks of class. Counselors can be contacted by calling 686-3652 or by visiting the Student Development Office in the Phail Wynn Jr. Student Services Center, room 1309.