

San José State University
Department of Economics
Course ID: 49215, ECON 139, Section 1
Fall 2022

Instructor:	Ninh D. Nguyen, Ph.D.
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Office Hours:	M/W 6:45AM – 7:30AM M/W in-between classes
Class Days/Time:	M/W 7:30AM-8:45AM
Classroom:	DMH 166
Course ID	49215

Course Description

Stocks, bonds, money market instruments, options, futures and real estate. Institutions, markets and theory. Speculation, present value theory, yields, term structure, taxes, portfolios and insurance. Prerequisite: ECON 1A and ECON 1B.

Course Goals and Student Learning Objectives

Apply CAPM and various fundamental analysis techniques to arrive at a bias for valuing common stock.

Identify and interpret securities valuation to include fundamental analysis of a company and technical analysis of the underlying security.

Describe and be able to contrast the various forms of the efficient market hypothesis and demonstrate how they exemplify information efficiency.

Define and discuss the structuring of optimal portfolio strategies in relation to firm portfolio of goods and services.

Required Texts/Readings

Textbook 1 - REQUIRED

- **Series:** The McGraw-hill/Irwin Series in Finance, Insurance, and Real Estate
- **Author:** Zvi Bodie, Alex Kane, Alan Marcus
- **Publisher:** McGraw-Hill Education; 10 edition (January 6, 2016)
- **Language:** English
- **ISBN-10:** 0077835425
- **ISBN-13:** 978-0077835422

Link to Textbook here:

https://www.abebooks.com/servlet/BookDetailsPL?bi=30339162957&searchurl=isbn%3D9780077835422%26sortby%3D17&cm_sp=snippet-_srp1-_title1

OR

<https://www.amazon.com/Essentials-Investments-Mcgraw-hill-Finance-Insurance/dp/0077835425>

These are the most “readable” investments textbooks. I’m counting on you to read the material before class. This will provide you with the foundation necessary to understand a lecture that builds on (not repeats) the material in the book. Keep a notebook handy. When you don’t understand something in the reading write your question in as much detail as possible and ask me during class.

Classroom Protocol

When and if homework is assigned it is intended to assist in preparing you for the mid-terms and final examination. Late homework will NOT be accepted after the due date.

Regular class attendance is important directly because homework will count toward your grade, and indirectly in that class lectures will contain material that you will be responsible for, but that may not be covered in the text. Thus, it is highly recommended that you attend class on a regular and consistent basis.

Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester’s [Catalog Policies](#) section at <http://info.sjsu.edu/static/catalog/policies.html>. Add/drop deadlines can be found on the current academic year calendars document on the [Academic Calendars webpage](#) at http://www.sjsu.edu/provost/services/academic_calendars/. The [Late Drop Policy](#) is available at <http://www.sjsu.edu/aars/policies/latedrops/policy/>. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the [Advising Hub](#) at <http://www.sjsu.edu/advising/>.

Assignments and Grading Policy

There will be three mid-terms and one final exam. Exams will consist of a combination of quantitative, problem solving and essay questions. Examination blue books are not required for examinations. **Make up exams will not be given.**

Your final course grade will be determined by two intermediate exam (25%), final exam (30%) and your homework (20%).

University Policies

Academic integrity

Your commitment as a student to learning is evidenced by your enrollment at San Jose State University. The [University's Academic Integrity policy S07-2](http://www.sjsu.edu/senate/S07-2.htm), located at <http://www.sjsu.edu/senate/S07-2.htm>, requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The [Student Conduct and Ethical Development website](http://www.sjsu.edu/studentconduct/) is available at <http://www.sjsu.edu/studentconduct/>.

Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person's ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include your assignment or any material you have submitted, or plan to submit for another class, please note that SJSU's Academic Integrity Policy S07-2 requires approval of instructors.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. [Presidential Directive 97-03](http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf) at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the [Disability Resource Center](http://www.drc.sjsu.edu/) (DRC) at <http://www.drc.sjsu.edu/> to establish a record of their disability.

Student Technology Resources

Computer labs for student use are available in the [Academic Success Center](http://www.sjsu.edu/at/asc/) at <http://www.sjsu.edu/at/asc/> located on the 1st floor of Clark Hall and in the Associated Students Lab on the 2nd floor of the Student Union. Additional computer labs may be available in your department/college. Computers are also available in the Martin Luther King Library.

A wide variety of audio-visual equipment is available for student checkout from Media Services located in IRC 112. These items include DV and HD digital camcorders; digital still cameras; video, slide and overhead projectors; DVD, CD, and audiotape players; sound systems, wireless microphones, projection screens and monitors.

SJSU Peer Connections (Optional)

Peer Connections, a campus-wide resource for mentoring and tutoring, strives to inspire students to develop their potential as independent learners while they learn to successfully navigate through their university experience. You are encouraged to take advantage of their services which include course-content based tutoring, enhanced study and time management skills, more effective critical thinking strategies, decision making and problem-solving abilities, and campus resource referrals.

In addition to offering small group, individual, and drop-in tutoring for a number of undergraduate courses, consultation with mentors is available on a drop-in or by appointment basis. Workshops are offered on a wide variety of topics including preparing for the Writing Skills Test (WST), improving your learning and memory, alleviating procrastination, surviving your first semester at SJSU, and other related topics. A computer lab and study space are also available for student use in Room 600 of Student Services Center (SSC).

Peer Connections is located in three locations: SSC, Room 600 (10th Street Garage on the corner of 10th and San Fernando Street), at the 1st floor entrance of Clark Hall, and in the Living Learning Center (LLC) in Campus Village Housing Building B. Visit [Peer Connections website](http://peerconnections.sjsu.edu) at <http://peerconnections.sjsu.edu> for more information.

ECON 139 Fall 2022 Tentative Course Schedule

Week	Date	Topics, Readings, Assignments, Deadlines
1	08/21	Introduction to Course Structure & Navigation. Theories, Models and Concepts, Introduction of Model Use.
2	08/28	Chapter 1: Investments - Background & Issues Chapter 2: Asset Classes and Financial Instruments
3	09/04	Chapter 3: Securities Market Chapter 4: Mutual Funds and Investment Companies
4	09/11	Review for Mid-Term 1. <u>Mid-Term 1 on 09-14-2022.</u>
5	09/18	Chapter 5: Risk/Return
6	09/25	Chapter 6: Efficient Diversification
7	10/02	Chapter 7: CAPM Chapter 8: Efficient Market Hypothesis
8	10/09	Review for Mid-Term 2. <u>Mid-Term 2 on 10-12-2022.</u>
9	10/16	Chapter 9: Behavioral Finance & Technical Analysis - Part 1 Introduction
10	10/23	Chapter 9: Behavioral Finance & Technical Analysis - Part 2 Theory
11	10/30	Chapter 9: Behavioral Finance & Technical Analysis - Part 3 Application
12	11/06	Review for Mid-Term 3. <u>Mid-Term 3 on 11-09-2022.</u>
13	11/13	Chapter 15: Option Markets – introduction
14	11/20	Chapter 16: Option Valuation – introduction Chapter 18: Portfolio Performance Evaluation – Introduction
15	11/27	Chapter 20: Hedge Funds Chapter 21: Taxes, Inflation and Investment Strategies
16	12/05	Chapter 22: Investors and the Investment Process. Applications: Tops-Down & Bottoms-Up (<i>Macro Regime Segmentation</i>) Review for Final.
Final Exam	12/09	Final Exam: Friday, December 9th at 7:15AM-9:30AM

Links:

[SJSU Academic Calendar](#)

[SJSU Final's Schedule Fall 2022](#)