# King Saud UNIVERSITY

## College of Business Administration

**Semester I 2012/2013**

**Course Code : FIN 220 Credit Hours: 3**

**Course Title: Essentials of Investments**

**Pre-requisite : FIN 200 Instructor: Ms.Ghadah Alarifi**

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**I. Course Description**

This is an intermediate course in Finance that, first of all, presents financial markets’ role, functioning and instruments (traditional and derivatives). Second, the central question of price formation is addressed: are securities fairly priced? The answer to that question determines the strategies used by investors. If investors believe that prices are fair, they will play passive strategies. Whereas they will try to catch up with investment opportunities by executing active investment strategies. Finally fundamental and technical analysis validity is assessed in regard to portfolio performance and asset valuation.

**II. Course Objectives:**

Having read this course, the students are expected to have a better understanding of investment environment; Stock markets types and trading arrangements, Types of securities and mutual funds; Market efficiency; Interest rate; Common stock valuation. Bond valuation; Behavior Finance and the Psychology of Investing.

**III. Instructor Expectations**

* Late assignments are not accepted.
* Coped homework will lead you to **FAILLING** the course.
* No makeup Midterms or quizzes are allowed.
* Finance is a very difficult subject to learn, skipping class is not advised.
* During an exam or a quiz, any cheating student will receive a grade of **ZERO**.
* Cell phones must be turned off during class. No form of texting is allowed.
* Any talking or texting in class will lead to a pop quiz.

**Academic Honesty:** Plagiarism, cheating, and other forms of academic dishonesty are **prohibited.** This is a zero tolerance policy of your instructor.

**Main Reference:** Fundamentals of Investments Valuation and Management 6th Edition by Jordan and Miller.

**Recommended Websites:** [www.Tadawul.com.sa](http://www.Tadawul.com.sa) [www.google.com/finance](http://www.google.com/finance) www.finance.yahoo.com

**Evaluation**

Students will be evaluated based on the following components:

1. Quizzes 8%

2. Homework's 7%

3. Project & Presentation 10%

4. Major exams 35%

5. Final exam 40%

**Schedule :**

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| WEEK | TOPIC | CHAPTER(S) |
| **1** | Overview of Security Types | 3 |
| **1** | Buying/Selling Securities and Stock Market Types | 2 |
| **2** | A Brief History of Risk and Return | 1 |
| **3** | A Brief History of Risk and Return | 1 |
| **3** | Stock Market | 5 |
| **4** | Common Stock Valuation | 6 |
| **5** | Common Stock Valuation | 6 |
| **6** | Stock Price Behavior and Market Efficiency Overview | 7 |
| **7** | Bond Prices and Yields | 10 |
| **8** | Bond Prices and Yields | 10 |
| **9** | Behavioral Finance and the Psychology of Investing | 8 |
| **10** | Mutual Funds | 4 |
| **11** | Presentations Week |  |
| **12** | Revision |  |
|  |  |  |
|  | **FINAL EXAM** |  |