Logistics

Instructor

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Office: SOCSCI 325C.
Office Hours: Monday 1:30 to 2:30 or by appointment

Exam Dates

Mid-term: Wednesday, March 16 in class.
Final Exam: Monday, May 2, 9:00 am to noon.

Course Objectives

This course will introduce you to financial markets and various types of investments and investment strategies. Upon successful completion of the course,

- Students will be able to describe various financial instruments including but not limited to common stocks, mutual funds, bonds, options, and futures. Additionally, you will be able to successfully apply techniques for valuing the aforementioned assets.

- Students can explain the risk-reward tradeoff, assess risk exposure of various portfolios, and construct minimum risk portfolios.

- Students will be able to illustrate multiple trading strategies for options and use actual option prices to develop simple hedging strategies.

- Students will be able to obtain actual pricing data and perform various analyses regarding risk, hedging strategies, and potential mispricing.

Course Materials

The text book for this course is *Investments* 9th edition by Bodie, Kane, and Marcus. There will be several homework assignments that will use real financial data. Often these will be provided on Blackboard, but you will also be responsible for downloading your own data. We will walk through the necessary steps in class to download financial data.
Grading

Course grades will be determined by performance on two tests (one mid-term and one final) and homework. Homework answers must be clear, legible, and fully supported (i.e. show all of your work) in order to receive full credit. The final grade will be broken down as follows

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework</td>
<td>20%</td>
</tr>
<tr>
<td>Mid-term</td>
<td>35%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>45%</td>
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Final letter grades will be assigned on the following scale.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage Range</th>
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<tbody>
<tr>
<td>A</td>
<td>≥ 94%</td>
</tr>
<tr>
<td>B</td>
<td>87% – 93%</td>
</tr>
<tr>
<td>C</td>
<td>77% – 86%</td>
</tr>
<tr>
<td>D</td>
<td>67% – 66%</td>
</tr>
<tr>
<td>F</td>
<td>≤ 59%</td>
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</tbody>
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- Exams are closed-book and closed-note.
- Students will need to bring a calculator for use on exams. A ruler may be nice since there may be the need to graph something.
- Make-up tests will not be given for the mid-term or final exams. Since the dates of the exams are already on the syllabus, there will be no consideration for travel plans that may conflict with the exams. A student who misses the final exam and who has a dean’s excuse will be given a make-up test.
- If necessary, the final percentage earned in the course will be curved by adding the number of percentage points necessary to make the median score equal to 85%; e.g., if the median percentage total among all students is 82%, then 3% will be added to all scores.

Problem Sets

Often working in groups can facilitate the learning process and is encouraged for homework assignments. Each person, however, must turn in their own copy of the solutions. This does not mean simply printing/photocopying 5 copies of the solutions. Assignments will be given almost every week and usually due at the beginning of class the following Wednesday.
Clearly showing all work is necessary for full credit (just giving an answer will not be enough for full credit). Since there is unfortunately no discussion session, solutions to assignments will be posted online after the class they are due. No late assignments will be accepted. The lowest assignment will be dropped.

**Responsibilities**

You are expected to do the relevant reading in the text. On exams, you *are not* responsible for material in the book that is not covered in class or in homeworks, but you *are* responsible for material covered in class or on homeworks that is not in the book.

**Academic Integrity**

Students are encouraged to work together on problem sets and discuss their solutions (outside of class). Colluding or using unauthorized (any) reference materials during exams is strictly prohibited.

**Office Hours**

While office hours are scheduled for Mondays from 1:30pm - 2:30pm every week, many of you may have conflicts and be unable to make it during that time. If you have a question or would like to discuss any concerns, please email me and we can arrange another time to discuss things in person. Your success is important, and my door is always open.