Undergraduate Distance Education Review Form
(Required for all courses taught by distance education for more than one-third of teaching contact hours)

Existing and Special Topics Course

MAR 1 4

Course: FIN 324 – Principles of Investments

Instructor of Record: Alan Eastman   **phone:** 724-357-5738 **e-mail:** aeastman@iup.edu

Step One: Department or its Curriculum Committee
The committee has reviewed the proposal to offer the above course using distance education technology, and responds to the CBA criteria as follows:

1. Will an instructor who is qualified in the distance education delivery method as well as the discipline teach the course?   X Yes   __ No

2. Will the technology serve as a suitable substitute for the traditional classroom?   X Yes   __ No

3. Are there suitable opportunities for interaction between the instructor and student?   X Yes   __ No

4. a. Will there be suitable methods used to evaluate student achievement?   X Yes   __ No

   b. Have reasonable efforts been made to insure the integrity of evaluation methods (academic honesty)   X Yes   __ No

5. Recommendation:
   X Positive   (The objectives of the course can be met via distance education.)

   ___ Negative

   _____   03/05/05
   signature of department/designee   date

If positive recommendation, immediately forward copies of this form and attached materials to the Provost and the Liberal Studies Office for consideration by the University-Wide Undergraduate Curriculum Committee. Dual-level courses also require review by Graduate Committee for graduate-level offering. Send information copies to 1) the college curriculum committee, 2) dean of the college, and 3) Dean of the School of Continuing Education.

Step Two: UNIVERSITY-WIDE UNDERGRADUATE CURRICULUM COMMITTEE

X Positive recommendation

___ Negative recommendation   _Gail Sechrist_   4/5/05
   signature of committee chair   date

Forward this form to the Provost within 24 calendar days after review by committee.

Step Three: Provost
X Approved as distance education course

___ Rejected as distance education course   _____   4/8/05
   signature of Provost   date

Step Four:
Forward materials to Dean of the School of Continuing Education.

Rationale for responses 1 – 4 on Undergraduate Distance Education Review Form

1. Dr. Eastman has taught multiple sections of FIN 324 during his 8 years at IUP. Dr. Eastman currently uses online materials to supplement his in-class finance courses, and has attended WebCT instruction sessions at the Instructional Design Center.

2. Principles of Investments is a course that requires a significant time commitment from the students, who must work a sufficient number of problems to develop their problem-solving and analytical skills within the framework of finance theory. The technology of WebCT and publisher provided online resources provide ample opportunities for students to work problems and apply knowledge using real-world data.

3. WebCT provides communications tools that include Discussion Pages, Mail, White Boards, and Chat Rooms. Students may interact with each other and with the professor on a daily basis to discuss course material, to assist one another in the completion and understanding of assignments, and to discuss relevant current events. Many topics in investment analysis require interpretation of information that is well-suited to group discussion and interaction. Traditional classroom courses require much work to be done outside of class, working with other students or resources. The discussion of assignments using WebCT communications tools can be as effective as face-to-face discussions if students are motivated to participate. The course materials from chapter 6 show Standard & Poor's Projects, What's on the Web Exercises, and Power Web Articles that may be used to foster online discussions and student interaction.

4. Student performance will be evaluated based upon homework, quizzes, exams, and other assignments, just as in a traditional classroom setting. Students must register with a unique user name and password, and their activity online may be monitored to determine how long each student participates in the completion of homework, quizzes, and exams. Exams and quizzes are timed to help prevent cheating.

To Whom It May Concern:

I've included the following items for your review of my proposal for teaching FIN 324, Principles of Investments, as a distance education course. Unfortunately, I have been unable to locate a syllabus of record for this course. However, department faculty agree on the course objectives, and these objectives have been stated in recent syllabi for FIN 324.

- My Proposed FIN 324 Syllabus
- WebCT Homepage
- Course Content Index for the Textbook
- Chapter 6 Module
    - Course Objectives Related to Chapter 6
    - Chapter 6 Table of Contents
    - Chapter 6 Summary and Conclusions
    - Chapter 6 Standard & Poor's Projects
    - Chapter 6 What's on the Web Exercises
    - Chapter 6 PowerWeb Articles Page (partial listing for Equity Valuation Articles)
    - Chapter 6 Sample PowerWeb Article and "Test Your Knowledge Form"
    - Chapter 6 Current Articles Listing Available Online (partial)
    - Chapter 6 Sample Current Events Article
    - Chapter 6 Homework Problems
    - Chapter 6 Sample Quiz

Materials and assignments for other chapters will be similar to the above. Standard & Poor's Projects, PowerWeb Articles, and current events articles will be used to foster class discussions on WebCT discussion boards. I expect other student communications will involve the discussion of homework assignments as well, using the communications tools on WebCT.

Thank you for your consideration of my proposal. Please let me know if you need any additional information.

Sincerely,

Dr. Alan Eastman
Department of Finance and Legal Studies
(724) 357-5738
aeastman@iup.edu

Syllabus
FIN 324 Principles of Investments – Summer II 2005

Welcome to on-line Principles of Investments (FIN 324). The on-line content and tools feature the most advanced educational technology and instructional design available today. A rich set of materials, communication tools, and course management resources have been incorporated into this course.

Instructor Information

Professor:	Dr. Alan Eastman
Email:	aeastman@iup.edu
Office:	322F Eberly College of Business and Information Technology
Office hours:	TWR 1:30pm – 3:30pm
Phone:	(724) 357-5738

Course Information

Course title:	FIN324 Principles of Investments
Course number:	FIN 324 Section 8B1 (For Business Majors) and 8NB (For Non-Business Majors)
Course discipline:	Finance
Course description:	An introduction to securities markets, trading, and valuation. Topics include security types and characteristics, the mechanics of trading, valuation models for fixed-income securities and common stock, mutual fund evaluation, basics of options and futures, and tax-advantaged investments.
Course date:	Summer II 2005
Location:	A WebCT based online course
Pre-requisite(s):	Completed "Junior Standing" Requirements for Business Majors; ACCT 202, MATH 214 for business majors; ACCT 202, MATH 214 or MATH 217 for Non-Business Majors (MATH 214 recommended).

"Beginning with the summer 2000 term, there will be absolute enforcement of every prerequisite requirement for the coursework offered by the Eberly College of Business and Information Technology. This means that students cannot postpone prerequisites and take them after the course in question.

The Dean's office is responsible for monitoring course prerequisites. Students who manage to register for coursework is in spite of the fact that they do not have the appropriate prerequisite will be subject to unilateral withdrawal after the course has commenced. At that time, no appeal will be accepted and adding a different class after the official registration period will not be approved."

Textbooks

Required: **Fundamentals of Investments,** McGraw-Hill, 3rd edition, 2005 by Charles J. Corrado, and Bradford D. Jordan (ISBN 0-07-282919-2)

Recommend: **Fundamentals of Investments – Ready Notes,** same publisher, edition and authors as above. (ISBN 0-07-295641-0)

I Drive: A PowerPoint presentation and solutions to text questions and problems can be found on the I Drive under rboldin.

Course Objectives

1. The student will be able to analyze and understand various financial instruments that are available to investors and the ways that these instruments are traded in the markets.

2. The student will be able to apply valuation concepts to a wide range of assets, including equities and fixed-income securities.

3. The student will be able to identify the characteristics of various securities and understand different ways in which markets for these securities function.

4. The student will be able to understand how assets are priced using capital asset pricing model and arbitrage pricing theory and how optimal portfolios are constructed for investors at a point where his/her indifference curve is tangential to the efficient set.

5. The student will become familiar with different types of fixed income securities and issues relating to bond valuation concept known as convexity and its relationship with duration.

6. The student will be able to use data from on-line sites such as EDGAR and SEC financial reporting database, and other sources of financial information to aid in developing sound investment policies.

Course Overview

This SYLLABUS contains information about the course, including required text, assignments, quizzes, tests and exam schedule. Assignments are listed in the SCHEDULE and should be cross-referenced with the CALENDAR which provides chapter quiz, chapter test, mid term and final exam dates for the course. The following course SCHEDULE can be printed for easy referral throughout the semester. Since this is a distance-learning course, you are responsible for completing and submitting via WebCT the assignments indicated in the SCHEDULE. Therefore, please read carefully this SYLLABUS and the SCHEDULE to

make certain you are completing the assignments as required. Also, please use the WebCT for all correspondence.

Course Method

This course will cover **19 chapters** from the text with the following tasks and time requirements for **each chapter**:

1. Read Chapter Text, work through questions and problems.
2. Review the WebCT content materials.
3. You will be required to take Chapter Quizzes for each of the 19 chapters. Each quiz will consist of 20 T/F and Multiple Choice questions and problems; (60 minute time limit). Each chapter quiz can be taken **three times**; the highest score will be counted.
4. You will be required to take a Chapter Test for each of the 19 chapters. Each test will consist of 30 T/F and Multiple Choice questions and problems covering all chapter materials (100 minute time limit).
5. Throughout the semester 5 assignments are required for you to complete and submit via WebCT for grading – see **Calendar** for schedule.
6. Mid-Term Exam will cover chapters 1 – 10 with 40 T/F and Multiple Choice questions and problems (120 minute time limit).
7. Final Exam will cover chapters 11 – 19 with T/F and 40 Multiple Choice questions and problems (120 minute time limit).

Grading Policy

Introduction: Grading System

1	Chapter Quizzes (19)	20%
2	Chapter Tests (19)	30%
3	Mid Term Exam (Chapters 1-10)	20%
4	Final Exam (Chapters 11-19)	20%
5	Assignments (5)	10%

You will be notified of 5 **ASSIGNMENTS**. Use WebCT to email your assignment solutions for grading.

CHAPTER QUIZZES will be taken on-line. To take the quizzes, click on the quiz icon. A screen will appear titled course exams. Scroll down and the quizzes for each chapter will be listed. Chapter 1 Quiz, for example, is listed first. You may take up to three quizzes for each chapter. Your highest grade is the one that is recorded. For the day in which a quiz is

assigned, you can take the quiz starting at 8am until 11pm of the same day. Two of the lowest chapter quiz grades will be dropped when computing the overall average of the chapter quizzes. Chapter quizzes should be taken before taking chapter tests.

CHAPTER TESTS: All tests will be taken On-Line and will consist of T/F and multiple choice questions and problems. Students may use their book and notes for exams. **Make-up tests will not be given.** You are required to take a test for each of the 19 chapters. When computing the average of the chapter tests, the lowest two will be dropped.

MID TERM EXAM: The mid term exam will cover material from chapters 1 – 10. **No Make-up Exam will be given.**

FINAL EXAM: The final exam will cover material from chapters 11 – 19. **No Make-up Exam will be given.**

Additional Information

1. A "high speed" internet connection with a PC with sound capabilities is recommended. It is preferable that you have Microsoft Word and PowerPoint on your system.
2. No extensions of deadline for "Chapter Quizzes" and "Chapter Tests" are possible. Two of the lowest or missed Chapter Quizzes among 19 and two of the lowest Chapter Test (among 19) will be dropped in computing the Chapter Quiz and Chapter Test averages for the course. Additional missing Chapter Quizzes/Tests will be scored zero.
3. Assignments not submitted by the deadline will be graded zero.
4. Mid Term Test will include chapters 1-10 material. Final Test will include chapters 11-19 material. All tests are multiple choice questions and problems.
5. Quizzes for each chapter can be attempted three times and the highest score will be counted.
6. Only those assignments specified in the **SCHEDULE** are to be submitted via WebCT for grading.
7. Final grade will be decided on a curve with grade cut off points determined by overall class average.

Reminders

- Please review carefully the **SYLLABUS/SCHEDULE/CALENDAR.**

- Additional readings, problems and cases may be assigned from time to time.

- Solutions to specific study problems and comprehensive problems assignments, as noted in the **SCHEDULE**, are to be submitted via WebCT for grading. Solutions to other listed study questions and study problems are NOT to be emailed for grading unless otherwise noted.

- Solutions to each of the 5 assignments are to be submitted via WebCT for grading and are due no later than 11pm of the date of the assignment as noted in the **SCHEDULE**.

- You will have the opportunity to take three quizzes for each chapter. The best score obtained in the three attempts will be graded and recorded as your quiz grade. Quizzes are required for each chapter and need to be completed by the time noted in the **SCHEDULE**. For each chapter quiz, chapter test, mid term and final exams, you are permitted to use your book and notes.

- Please review the **CALENDAR** to obtain an overview of chapter quizzes, chapter tests, mid term and final exam times.

- If you have any questions please email me **using WebCT.**

Course Schedule:

Monday, July 11

- Review course outline
- Review text
- Review Web-CT
- Reading Assignment - Chapter 1

Tuesday, July 12

- Homework - Chapter 1
  Questions and Problems: 1-3, 1-5, 1-9, 1-19.
- **Quiz - Chapter 1 (can be completed by 11pm Tuesday 7/12/05)**
- **Test – Chapter 1 (can be completed by 11pm Tuesday 7/12/05)**

Wednesday, July 13

- Reading Assignment - Chapter 2
- Homework - Chapter 2
  Questions and Problems: 2-1, 2-3, 2-9, 2-11, 2-15, 2-21.
- **Quiz - Chapter 2 (can be completed by 11pm Wednesday 7/13/05)**
- **Test – Chapter 2 (can be completed by 11pm Wednesday 7/13/05)**

Assignment pages continue the same as the proposal.

FIN 324 Principles of Investments Online Summer II 2005

Submission Deadlines

- Q = Quiz
- T = Chapter Test
- A = Assignment
- MT = Mid Term Exam
- F = Final Exam
- Chapter Quizzes can be taken three times; covers only text chapter materials; the highest score counts as your grade.
- Chapter Tests can be taken only once; all Multiple Choice questions and problems.
- There are 5 Assignments, designated as A1 – A5 below.
- Mid Term Exam will cover chapters 1 – 10. Final Exam will cover chapters 11 – 19.
- All submissions must be completed before 11:00PM of the deadline date given below.
- Two of the lowest or missing chapter quiz and chapter test will be dropped in computing quiz or test average; any additional missing quiz or test will be scored zero. Missing assignments will be scored zero.
- All submission items will be open for several days before deadline as noted below and in the CALENDAR.

Q1	12-Jul	Q11	28-Jul
T1	12-Jul	T11	28-Jul
Q2	13-Jul	Q12	29-Jul
T2	13-Jul	T12	29-Jul
Q3	14-Jul	Q13	1-Aug
T3	14-Jul	T13	1-Aug
Q4	15-Jul	Q14	2-Aug
T4	15-Jul	T14	2-Aug
A1	15-Jul	Q15	3-Aug
Q5	18-Jul	T15	3-Aug
T5	18-Jul	A4	3-Aug
Q6	19-Jul	Q16	4-Aug
T6	19-Jul	T16	4-Aug
Q7	20-Jul	Q17	5-Aug
T7	20-Jul	T17	5-Aug
Q8	21-Jul	Q18	8-Aug
T8	21-Jul	T18	8-Aug
A2	21-Jul	A5	8-Aug
Q9	22-Jul	Q19	9-Aug
T9	22-Jul	T19	9-Aug
Q10	25-Jul	F	11-Aug
T10	25-Jul		
A3	25-Jul		
MT	27-Jul		

Welcome to FIN 324: Principles of Investments

An Online Distance Education Course Offerred By The
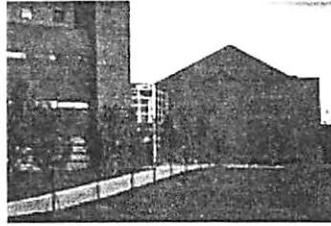
Eberly College of Business and Information Technology

And Taught By

Dr. Alan Eastman
322F Eberly College of Business and Information Technology
(724) 357-5738
aeastman@iup.edu

Course Overview

The COURSE SYLLABUS contains information about the course, including required text, assignments, exam schedule, etc. Assignments are listed here and should be cross-referenced with the CALENDAR for assignment deadlines. The COURSE CALENDAR and the COURSE SYLLABUS can be printed for easy referral throughout the semester. Since this is a distance-learning course, each student is responsible for completing the assignments as indicated in the schedule. Therefore, be sure to consult the COURSE CALENDAR AND SYLLABUS on a regular basis. Please use WebCT for all correspondence. To get started, click on one of the following links and let's begin our study of the principles of investments.

Course Content   **Calendar**   **Communication Tools**

Quiz
(Hidden)   **My Grades**   **Study Tools**
(Hidden)

Instructor Resources
(Hidden)   **Syllabus**

Chapter 6: Common Stock Valuation

Course Objectives

1. The student will be able to analyze and understand various financial instruments that are available to investors and the ways that these instruments are traded in markets.

2. The student will be able to apply valuation concepts to a wide range of assets, including equities and fixed-income securities.

6. The student will be able to use data from online sites such as EDGAR and SEC financial reporting database, and other sources of financial information to aid in developing sound investment policies.

The chapter summary and conclusion included as part of the chapter six module highlights how students will be learning about equity securities and how they are valued. The "Standard & Poor's Project" and "What's on the Web Exercise" show how students will apply what they know using current company data. The "PowerWeb Articles" page has examples of articles that may be used to foster discussion of current topics in investment analysis and finance.

Chapter 6:Multiple Choice Quiz

Name: Alan Eastman (Preview)
Start time: March 3, 2005 11:00pm
Number of questions: 10

Finish] Help]

Question 1 (points)

Due to its simplicity, the constant perpetual growth model can be usefully applied to any company.

- ○ a. True

- ○ b. False

Save answer]

Question 2 (points)

The substantive growth rate refers to dividend growth that can be sustained by a company's earnings.

- ○ a. True

- ○ b. False

Save answer]

Question 3 (points)

A firm's growth rate equals the retention ratio divided by its return on equity.

- ○ a. True

- ○ b. False

Save answer]

Question 4 (points)

Unlike the constant growth rate model, the two-stage dividend discount model is suitable for companies that don't pay dividends.

- ○ a. True

- ○ b. False

Save answer]

Question 5 (points)

Suppose a risky security has an equal probability of paying either $400 or $500 in one year. What is the present value of the expected future cash flow if the discount rate is equal to 5%?

- ○ a. $380.95

- ○ b. $428.57

- ○ c. $476.19

- ○ d. $452.38

Save answer]

Question 6 (points)

An analyst would expect Starbucks to have a

- ○ a. low price/earnings ratio

- ○ b. high price/earnings ratio

- ○ c. low price/book ratio

- ○ d. high price/book ratio

Save answer]

Question 7 (points)

A firm has a per share dividend of $4 and is expected to decrease by 15% per year for the next five years and then grow at a rate of 10%. Using the two stage model, determine the value of the stock. The discount rate is 8%.

- ○ a. $42.28
- ○ b. $10.35
- ○ c. $61.71
- ○ d. $52.35

Save answer

Question 8 (points)

Suppose that the dividend growth rate is 12 percent, the discount rate is 8 percent, there are 30 years of dividends to be paid, and the current dividend is $14. What is the value of the stock based on the constant growth model?

- ○ a. $558.23
- ○ b. $626.84
- ○ c. $708.93
- ○ d. $775.12

Save answer

Question 9 (points)

If the U.S T-bill rate is 4 percent and the stock market risk premium is 8 percent, then the CAPM discount rate for a security with a beta of 1.4 is

- ○ a. 12%.
- ○ b. 15.2%.
- ○ c. 5.6%.
- ○ d. 13.4%.

Save answer

Question 10 (points)

Under the constant growth version of the DDM,

- ○ a. $D_5 = D_0(1 + g)$
- ○ b. $D_5 = D_0(1 + g)^4$
- ○ c. $D_5 = D_3(1 + g)^2$
- ○ d. $D_5 = D_4(1 + g)^2$

Save answer

Finish   Help