

BUS-F303: Intermediate Investments

Spring 2026 Syllabus

Instructor: Cyndi Hou

Course Information

- **Class Location:** CG 2077
- **Time:**
Class 4040: MW 8:00am–9:15am
Class 4041: MW 9:35am–10:50am
- **Office:** HH 6146 (Cubic D)
- **Email:** houxiny@iu.edu
- **Office Hours:**
Monday 11am-1pm. To ensure better assistance, book slot(s) with me using the following link: [Book](#).
A Microsoft Teams meeting link will be generated automatically. In-person meetings are also available upon request. Email me if you want to meet outside of office hours.
- **TA:** Ilhan Yalcin (ilyalcin@iu.edu)
TA office hours: Thursday 1:30pm-3:00pm// Collab Room: HH 6164

Course Description

Welcome to Intermediate Investments, your gateway to a successful career in the investment industry! In this course, you will be exposed to what will be useful to any player in the investment industry, whether a portfolio manager, a corporate financial officer overseeing a pension fund, a pension fund consultant, or a private investor. By the end of the course, you will be able to

1. Understand the structure of modern investment industry and its role in the economy.
2. Master important statistical skills used by practitioners.

We'll start with a satellite view of the investment business. Then we are going to cover three categories of investment instruments: Equity, Debt, and Derivatives. Along the way we will get hands on several useful statistical/econometric methods and learn from the real financial market. Through this course, you'll develop expertise needed for a professional career in finance and be prepared for further studies in graduate school.

Recommended book

The most important information for your study is in the lectures and slides, but you may consider the following investment:

- *Essentials of Investments* by **Bodie, Kane and Marcus, 12th edition** for a thorough view of the subject. It also provides materials related to the CFA (Chartered Financial Analyst) tests. Therefore, you may consider it as a good investment not only for this course, but also for your future career in finance.

Class Participation

Attendance and participation are very important for efficient learning, and I highly recommend that you participate actively in the class. Please feel free to ask questions whenever you feel confused. We will also have a lot of class discussions, and it will be very helpful for you to be part of the discussions.

Group Project and Presentation

There will be a group project and presentation, collectively accounting for 20% of your final grade. This includes one written report and one presentation. You will work in groups of 4-5 students.

- **Project report** Apply the portfolio management concepts learned in this course to solve a specific problem. Each group must submit one comprehensive report before the deadline.
- **Project presentation** At the end of the course, each group will present their project findings in a 10-minute presentation, including Q&As during the presentation. Grades will be based on both the quality of the report and the presentation.

Exams

This course includes three exams: two midterms during the semester and a comprehensive final exam during finals week. The midterms cover only the material taught since the previous exam, while the final exam covers all course materials. Exams are closed book and closed note, but formula sheet(s) will be provided.

Use of Excel. This course emphasizes logical reasoning and understanding of investment concepts. While Excel will be used extensively in weekly assignments and the group project, **Excel is not permitted during exams**. Exams are designed to test your understanding of formulas, relationships, and economic intuition — not spreadsheet skills. All exam problems can be solved using algebra and a calculator, and no Excel is required. This exam format also aligns with professional finance exams (such as the CFA), where only approved financial calculators are allowed. More importantly, learning to work through equations directly leads to a deeper and more durable understanding than relying on spreadsheet formulas.

Grading

- **Assignments:** 12%
- **Attendance:** 5% (Top Hat)
- **Exams:**
 - Midterm Exam 1: 20%
 - Midterm Exam 2: 18%
 - Final Exam: 25%
- **Group Project and presentation:** Portfolio Management: 20%
- **Total:** 100%

Grading is done on a Relative Basis. Following standard finance department policy, the average GPA will fall in the range from 2.70 to 3.10. The relative basis grading is done based on the total points you gain by the end of the semester. This policy applies to all FIN 303 sessions taught in the Finance department.

To help you understand your relative standing, you will receive a curved grade for each individual exam. After the final exam, scores will be combined, and grades will be re-curved to determine your final letter grade.

Missing Exams

1. **Make-up exams** will be granted *only* in cases of documented medical or family emergencies and must be arranged *in advance* of the scheduled exam time whenever possible. Make-up exams, if approved, will be administered *before* the regularly scheduled exam. There is no guarantee that a make-up exam will be identical in format, difficulty, or question type to the regular exam.
2. **Midterms:** If a student is unable to take a midterm exam due to documented medical or family emergencies, the missing midterm score will automatically be replaced by the weighted average of the student's remaining exams.
3. **Final:** If a student cannot take the final exam on the university-scheduled date due to documented medical or family emergencies, the student must notify the instructor *in advance* and provide official documentation. In this case, university policy will apply and the student will receive an **Incomplete** for the course. The make-up final exam must be taken *in person* during the first week of the following semester. It is the student's responsibility to ensure availability during this period in order to avoid being dropped from courses for which F303 is a prerequisite.
4. If a student fails to notify the instructor in advance and does not take the exam, the exam score will be recorded as zero.

Other Policies

1. Please avoid eating food in the classroom, unless you have medical conditions. If you have a positive COVID-19 test or have COVID-like symptoms, you should not attend class.
2. Be Professional! Please remember to turn off or silent your cell phones, both during regular classes and during exams.
3. If you need DSS accommodation, please submit the form to me before the first mid-term exam.
4. If you miss class for a religious observance, you must fill out the accommodation form on the Vice Provost for Faculty and Academic Affairs webpage at least two weeks before your anticipated absence.

Course Outline

Date	Lecture Topic	Note
Part 1: PORTFOLIO MANAGEMENT		
12-Jan	Syllabus and Introduction	SLO1.1, 1.3
14-Jan	Risk and Return: Statistical Review	SLO5.2
19-Jan	Martin Luther King Jr. Day - No classes.	
21-Jan	Basic Portfolio Theory	SLO1.1, 1.3, 3.2
26-Jan	Asset Allocation	SLO3.1-3.3
28-Jan	Asset Allocation	SLO3.1-3.3
02-Feb	Problem Solving - Portfolio Theory	SLO5.1-5.4
04-Feb	Capital Asset Pricing Model	SLO5.1-5.4
09-Feb	CAPM and Efficient Market	SLO5.1-5.4 Group finalized
11-Feb	Problem Solving - CAPM	SLO5.1-5.4
16-Feb	Review Session for Midterm 1	
18-Feb	Midterm 1	in class
23-Feb	Project Introduction: Portfolio Management	SLO6.1-6.4
Part 2: BONDS		
25-Feb	Introduction to Bonds	SLO1.1, 1.3
02-Mar	Bond Pricing	SLO5.1-5.4
04-Mar	Term Structure of Interest Rates	SLO3.1-3.4
09-Mar	Bond Risk	SLO3.1-3.4
11-Mar	Student groups work on the group project	No class: group project consulting
	Spring Break	
23-Mar	Bond Duration	SLO5.1-5.4
25-Mar	Problem Solving	SLO5.1-5.4
30-Mar	Review Session for Midterm 2	
01-Apr	Midterm 2	in class
Part 3: DERIVATIVES		
06-Apr	The Futures Contract	SLO5.1-5.4
08-Apr	The Options Contract	SLO1.1, 1.3
13-Apr	Option Strategies	SLO3.1-3.3
15-Apr	Option Pricing: Binomial Tree	SLO5.1-5.4
20-Apr	Problem Solving - Binomial Tree	SLO6.1-6.4
22-Apr	Final Review - Options and Futures	SLO5.1-5.4
27-Apr	Student Presentations	SLO4.1-4.4
29-Apr	Student Presentations	SLO4.1-4.4
1-May	Project report due	
Tuesday, 05-May	Final Exam: Comprehensive	3:00-5:00 p.m. Room TBA

Appendix A

Academic Honesty and Misconduct

Students are expected to adhere to the Student Honor Code. This class has zero tolerance for academic misconduct. Note that academic misconduct includes plagiarism, even if unintentional. The attempt of any student to present the work of another as his or her own, or to present any work not honestly performed, or to pass any examination by improper means is a most serious offense and will be treated with extreme prejudice. The aiding and abetting of a student in any dishonesty is likewise held to be a great breach of discipline. For more details, be sure to carefully review the definition of plagiarism found in the Kelley School of Business Student Honor Code, the Indiana University Code of Student Rights, Responsibilities, and Conduct, and any other Kelley or IU rules and regulations about academic misconduct. Additionally, sharing (including uploading) past or current quizzes, tests, or homework assignments from this class with each other (unless specifically authorized by assignment, test, or quiz instructions) or via unauthorized sources, including third-party websites such as Chegg, is against course rules and constitutes academic misconduct, even if your intent is not to enhance your performance or grade in this class. Likewise, accessing (including downloading) past or current quizzes, tests, or homework assignments via unauthorized sources, including third party websites such as Chegg, is also against course rules and constitutes academic misconduct.

If I determine that you have committed academic misconduct, I will notify you by meeting with you and explaining the basis for my determination. Then, I will report it to the University, as I am required to do. If you are the subject of a report of misconduct that you believe is inaccurate or if you believe that an imposed sanction is inappropriate, you have a right to appeal the finding of misconduct and/or the sanction. You will be notified by the Dean of Students' Office of Student Conduct about your appeal rights. Questions regarding an appeal of an academic misconduct charge can be e-mailed to ksappeal@indiana.edu.

Early Alert Warnings (EAWs)

In this course I want to make sure you connect with resources that will help you be successful. If you receive a message through the Student Engagement Roster that asks you to consult with your advisor, please know that the message is sent to both you and your academic advisor, who will follow up and view the feedback from this course.

Mental Health and Stress

If you experience a range of issues that can cause barriers to learning, such as difficulties with mental health, including increased anxiety (feeling irritable, restless, or overwhelmed), difficulty concentrating or managing your time, or you may find that you feel sad or “empty,” less interested in activities you once enjoyed; inadequate compared to others; or even hopeless... I encourage you to reach out. Here are some resources to help:

- If your mental health or stress is affecting this class, reach out to me via e-mail or office hours. I can work with you and direct you to support resources.
- If you are not sure where to start or what you need, meet with Kelley Student Support. With them, you can discuss individual needs/support, organizational consultation, or ideas in the areas of mental health and wellness, women's, and LGBTQ+ initiatives. Sign up for a time to meet.
- Indiana University Counseling and Psychological Services (CAPS) is available to assist you. You can learn more about the broad range of confidential mental health services available on campus via the CAPS website.
- You have access to TimelyCare services 365 days a year, which is a tool with 24/7 virtual access to mental health care professionals. That means you have access during breaks, after-hours, and any time you need support.
- A Care Referral is another easy way to request help with an issue or concern, especially if you do not know which office or department to contact. You can submit a Care Referral for yourself or another related to academic/administrative, personal, health/wellness, behavioral, or bias issues. File a report at <https://go.iu.edu/carereport>.

Sexual Misconduct & Title IX

IU policy prohibits sexual misconduct in any form, including sexual harassment, sexual assault, stalking, sexual exploitation, and dating and domestic violence. If you have experienced sexual misconduct, or know someone who has, the University can help. If you are seeking help and would like to speak to someone confidentially, you can make an appointment with the IU Sexual Assault Crisis Services at (812) 855-8900, or contact a Confidential Victim Advocate at (812) 856-2469 or cva@indiana.edu.

University policy requires me to share certain information brought to my attention about potential sexual misconduct with the campus Deputy Sexual Misconduct & Title IX Coordinator or the University Sexual Misconduct & Title IX Coordinator. In that event, those individuals will work to ensure that appropriate measures are taken, and resources are made available. Protecting student privacy is of utmost concern, and information will only be shared with those that need to know to ensure the University can respond and assist. I encourage you to visit <http://stopsexualviolence.iu.edu/index.html> to learn more.

Appendix B: Bloomington Undergraduate Program Competencies and Student Learning Outcomes (SLOs)

1. An Integrative Point of View

Evaluate and make business decisions taking into account the interdependent relationships among competitive and environmental conditions, organizational resources, and the major functional areas of business.

- **SLO 1.1:** Identify the relationships between two or more business functions; explain how actions in one functional area affect other functional areas.
- **SLO 1.2:** Describe how the relationships among the functional areas relate to the goals of the organization.
- **SLO 1.3:** Use integrative techniques, structures, or frameworks to make business decisions.

2. Ethical Reasoning

Recognize ethical issues, describe various frameworks for ethical reasoning, and discern the tradeoffs and implications of applying various ethical frameworks when making business decisions.

- **SLO 2.1:** Identify the ethical dimension(s) of a business decision.
- **SLO 2.2:** Recognize the tradeoffs created by application of competing ethical theories and perspectives.
- **SLO 2.3:** Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

3. Critical Thinking and Decision Making in Business

Identify and critically evaluate implications of business decisions for organizational stakeholders and the natural environment.

- **SLO 3.1:** Recognize the implications of a proposed decision from a variety of diverse stakeholder perspectives.
- **SLO 3.2:** Evaluate the integrity of the supporting evidence and data for a given decision.
- **SLO 3.3:** Analyze a given decision using critical techniques, structures, or frameworks.

4. Communication and Leadership

Communicate effectively in a wide variety of business settings employing multiple media of communications.

- **SLO 4.1:** Deliver clear, concise, and audience-centered individual and team presentations.
- **SLO 4.2:** Write clear, concise, and audience-centered business documents.
- **SLO 4.3:** Effectively participate in informational and employment interviews.
- **SLO 4.4:** Articulate one's unique value proposition to a given audience.

5. Quantitative Analysis and Modeling

Systematically apply tools of quantitative analysis and modeling to make recommendations and business decisions.

- **SLO 5.1:** Use appropriate technology to solve a given business problem.
- **SLO 5.2:** Analyze business problems using appropriate mathematical theories and techniques.
- **SLO 5.3:** Explain the role of technologies in business decision making analysis, or modeling.
- **SLO 5.4:** Structure logic and frame quantitative analysis to solve business problems.

6. Team Membership & Inclusiveness

Collaborate productively with others, functioning effectively as both members and leaders of teams.

- **SLO 6.1:** Facilitate team meetings and collaborate effectively in both face-to-face and virtual interactions.
- **SLO 6.2:** Identify and employ best team practices.
- **SLO 6.3:** Assess and offer feedback on one's own effectiveness as well as one's team members' effectiveness with respect to productivity and relationship-building in both oral and written formats.
- **SLO 6.4:** Articulate and analyze the value of inclusivity in a variety of business settings.

7. Cultural Awareness and Global Effectiveness

Become conversant with major economic, social, political, and technological trends and conditions that influence the development of the global economy and demonstrate competence in the cultural, interpersonal and analytical dimensions of international business.

- **SLO 7.1:** Identify the risks and opportunities associated with determining and implementing optimal global business strategies.
- **SLO 7.2:** Integrate international, regional, and local non-market forces into strategic decisions of multinational corporations.
- **SLO 7.3:** Analyze obstacles resulting from cultural differences and recommend leadership approaches that leverage diversity to enhance business performance.
- **SLO 7.4:** Identify the personal and contrasting attitudes, values, and beliefs that shape business relationships.