



**Course Name:** Investment Principles

**Course Number:** BFN\* 203

**Credits:** 3

**Catalog description:** A study of the fundamental principles and concepts of analysis and an evaluation of a variety of financial investments with emphasis on common stocks and bonds. The working of capital markets and the determination of interest rates will also be covered.

**Prerequisite, Corequisite, or Parallel:** BFN\*201 with a Grade of “C” or higher or  
Permission of the Instructor

## **General Education Competencies Satisfied:**

**HCC General Education Requirement Designated Competency Attribute Code(s):**

None

**Additional CSCU General Education Requirements for CSCU Transfer Degree Programs:**

None

**Embedded Competency(ies):**

None

**Discipline-Specific Attribute Code(s):**

BUS Business elective

## **Course objectives:**

### **General Education Goals and Outcomes:**

None

### **Course Specific Objectives:**

1. Explain the advantages of investment diversification
2. Differentiate between the functioning of the primary market for securities and the functioning of the secondary market for securities
3. Identify and discuss the sources of security investment information
4. Discuss the influence of taxes on investment
5. Calculate return on common stock investment
6. Solve time value of money problems and use present value to calculate the market value of a bond
7. Discuss the features of common stock and bonds
8. Differentiate between fundamental analysis and technical analysis
9. Discuss mutual funds and the mutual fund selection process



10. Manage a hypothetical portfolio of investments, using stock tables in newspaper track investments, compare progress to S & P 500 stock index, calculate percentage changes

**Course Content:**

**Part I: Preparing to Invest**

1. The Investment Environment
2. Securities Markets and Transactions
3. Investment Information and Securities Transactions

**Part II: Important Conceptual Tools**

4. Return and Risk
5. The Time Value of Money
6. Modern Portfolio Concepts

**Part III: Investing in Common Stocks**

7. Common Stocks
8. Analyzing Common Stocks
9. Stock Valuation
10. Market Efficiency and Behavioral Finance

**Part IV: Investing in Fixed-Income Securities**

11. Fixed-Income Securities
12. Bond Valuation

**Part Five: Portfolio Management**

13. Mutual Funds and Exchange-Traded Funds
14. Managing Your Own Portfolio

**Part Six: Derivative Securities**

15. Options: Puts and Calls
16. Futures Markets and Securities

**Web Chapters (at [www.pearsonhighered.com/smart](http://www.pearsonhighered.com/smart))**

17. Investing in Preferred Stocks
18. Tax-Advantaged Investments
19. Real Estate and Other Tangible Investments

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