The Purpose

This new elective integrates and builds on material in the finance curriculum, effectively serving as a capstone course for undergraduates. The synthesis of this integration and the new material presented is the student's preparation to sit for the CFA Institute's Certified Financial Analyst Level I examination. The CFA Program is an internationally-recognized certification for investment professionals. Providing our top undergraduate and graduate students the material needed to succeed in the CFA Program will result in professional benefits to the student and improved reputation for the department, college, and university.

The Certified Financial Analyst (CFA) Program is comprised of a series of three academically rigorous tests designed to ensure that CFA charterholders have mastered the body of knowledge and ethical principles required to promote the investments/financial analyst profession. The mission statement of the CFA Institute is “To lead the investment profession globally by setting the highest standards of ethics, education, and professional excellence.” To illustrate how internationally-recognized and rigorous the Program is, almost 50,000 candidates in 29 countries took the Level I exam in December 2008. Only 35 percent passed. Those who succeeded may begin preparing for the Level II and Level III exams. Similar to a Certified Public Accounting certification, this is a professional certification and not a license.

The goal of this course is to provide students the material they need to succeed in the first step of the process. Completing this course and becoming a candidate in the CFA Program will potentially set our top students apart from others in the job market. More importantly, it will provide them tools and a head start to be more successful in the investments profession.
Approvals

Undergraduate Requests

John Doe
Head
2/17/09

Chair

College/School Curriculum Committee

Dean

College or School

Chair

University Curriculum Committee

Graduate Requests

John Doe
Head
2/17/09

Chair

College/School Curriculum Committee

Dean

College or School

Chair

Graduate Council

Chair

University Curriculum Committee
FINC 5740/6740: Advanced Financial Analysis
Spring 2010

Professor: Dr. Keven Yost
Office: 319 Lowder Business Building
Phone: (334) 844-5303
E-mail: yostkev@auburn.edu
Office Hours: Tuesdays: 10:00 - 11:30 AM,
Thursdays: 10:00 - 11:30 AM,
or by appointment.

Course Description

This course builds on and integrates material learned in corporate finance and investments, as well as accounting, economics, and statistics to equip students for financial analysis of individual investments and firms. Following the CFA Institute’s curriculum for the Certified Financial Analyst Level I examination, students will work through advanced topics including ethical and professional standards, quantitative methods, economics, financial reporting and analysis, corporate finance, equity investments, fixed income investments, derivative investments, alternative investments, and portfolio management and wealth planning. This is a 3 credit hour course and students may not receive credit for both FINC 5740 and FINC 6740.

Prerequisites

Students enrolling in FINC 5740 or FINC 6740 are required to have successfully completed FINC 3630 (Advanced Business Finance) or equivalent, STAT 2610 (Statistics for Business and Economics) or equivalent, ACCT 3110 (Intermediate Accounting 1) or equivalent, and have department approval. In addition, students should have completed or be co-enrolled in FINC 3640 (Investments) or equivalent.

For undergraduate students, senior status and FINC 4650 (Financial Statement Analysis) is recommended, though not required.

Failure to meet any of these requirements may result in automatic withdrawal from the course.
Course Materials

The following is required:

- 2010 Stalla CFA Level I Review Materials.

In addition to the textbook:

- Students are recommended to have access to a Texas Instruments TI-BAlII Plus financial calculator for this course. Students may use their calculator on quizzes and exams. However, students are not allowed to share calculators during a given exam, nor will the instructor provide one if one is forgotten. The CFA Exam does NOT allow use of the Hewlett-Packard HP-10BII. However, for the purposes of this course, it is acceptable.

- PLEASE MAKE SURE ALL CELL PHONES ARE TURNED OFF BEFORE EACH LECTURE AND EXAM!!!

Grading

Grades will be based on the following:

<table>
<thead>
<tr>
<th>FINC 5740</th>
<th>FINC 6740</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation:  10%</td>
<td>Homework/Classwork:  10%</td>
</tr>
<tr>
<td>Homework/Classwork:  20%</td>
<td>Weekly Quizzes:     50%</td>
</tr>
<tr>
<td>Weekly Quizzes:  50%</td>
<td>Final Exam:           20%</td>
</tr>
<tr>
<td>Final Exam:</td>
<td>Company Analysis:</td>
</tr>
<tr>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
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</tbody>
</table>

This course includes weekly homework and quizzes. Participation will be based on contribution to class discussion and answering questions when asked.

Grades will be assigned according to the following scale:

- A  ≥ 90%
- B  ≥ 80% but < 90%
- C  ≥ 70 but < 80%
- D  ≥ 60 but < 70%
- F  < 60%
Justification for Graduate Credit (FINC 6740)

The evaluation and expectations for graduate students taking this course differ from those of undergraduates taking this course. The details of the evaluation and grading are provided in the Grading section. In order to provide an opportunity to gain understanding and insight at an advanced level, graduate students are assigned a significant research project in which the principal objective is to present an in-depth financial analysis of a company. In this project, graduate students will be required to demonstrate their ability to independently analyze and synthesize information on the firm and corresponding financial markets. The culmination of this research is a professional report that will demonstrate an advanced level of thinking and understanding of the course.

Course Policies

Attendance is required for this course and will only be excused for University-approved reasons, including documented illness of the student or serious illness of a member of the student’s immediate family, the death of a member of the student’s immediate family, trips for student organizations sponsored by an academic unit, trips for University classes, trips for participation in intercollegiate athletic events, subpoena for a court appearance, and religious holidays. When feasible, the student must notify the instructor prior to the occurrence of any excused absences, but in no case shall such notification occur more than one week after the absence. Appropriate documentation for all excused absences is required.

This course will cover a significant amount of advanced material in a short amount of time. This course will require at least as much time studying outside of class as time spent in class. It is imperative that students keep up with the material each week. DO NOT GET BEHIND! The course is very structured so that students can plan accordingly for times during the semester where demands on their time are higher.

Academic Honesty

Unless clearly instructed otherwise, all assignments, quizzes, and exams are closed-book. They are to be completed individually. This means no talking, sharing calculators or pens/pencils, etc., and no wandering eyes. If help is needed, see Dr. Yost. You have been warned – do not cheat! The University Academic Honesty Code is found in Chapter 1200 of the Student Government Association Code of Laws and in The Tiger Cub.
Students With Disabilities

Students who need special accommodations in class, as provided for by the American Disabilities Act, should arrange a confidential meeting with the instructor during office hours the first week of classes - or as soon as possible if accommodations are needed immediately. You must bring a copy of your Accommodation Memo and an Instructor Verification Form to the meeting. If you do not have these forms but need accommodations, make an appointment with The Program for Students with Disabilities, 1244 Halley Center, 844-2096 (V/TT) or email: scw0005@auburn.edu.

Course Outline

We will be covering a significant amount of material during the semester. Keep up with it! This tentative course outline is subject to change.

<table>
<thead>
<tr>
<th>Week of:</th>
<th>Topic</th>
<th>Study Session #</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 11</td>
<td>Ethical and Professional Standards</td>
<td>1</td>
</tr>
<tr>
<td>January 18</td>
<td>Quantitative Methods 1</td>
<td>2</td>
</tr>
<tr>
<td>January 25</td>
<td>Quantitative Methods 2</td>
<td>3</td>
</tr>
<tr>
<td>February 1</td>
<td>Economics 1 and 2A</td>
<td>4 &amp; 5A</td>
</tr>
<tr>
<td>February 8</td>
<td>Economics 2B and 3</td>
<td>5B &amp; 6</td>
</tr>
<tr>
<td>February 15</td>
<td>Financial Reporting and Analysis 1</td>
<td>7</td>
</tr>
<tr>
<td>February 22</td>
<td>Financial Reporting and Analysis 2</td>
<td>8</td>
</tr>
<tr>
<td>March 1</td>
<td>Financial Reporting and Analysis 3</td>
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<tr>
<td>March 8</td>
<td>Financial Reporting and Analysis 4</td>
<td>10</td>
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<td>March 22</td>
<td>Corporate Finance</td>
<td>11</td>
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<tr>
<td>March 29</td>
<td>Equity Investments</td>
<td>13 &amp; 14</td>
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<tr>
<td>April 5</td>
<td>Fixed Income Investments 1</td>
<td>15</td>
</tr>
<tr>
<td>April 12</td>
<td>Fixed Income Investments 2</td>
<td>16</td>
</tr>
<tr>
<td>April 19</td>
<td>Derivative Investments</td>
<td>17</td>
</tr>
<tr>
<td>April 26</td>
<td>Portfolio Management and Alternative Investments</td>
<td>12 &amp; 18</td>
</tr>
</tbody>
</table>