

# **COURSE OUTLINE**

**FNPL-201**

**Investment Analysis and Portfolio Selection**

3 Semester Hours

## **HOWARD COMMUNITY COLLEGE**

### **Description**

Upon the completion of this course, a student will understand the variety of investment vehicles which are offered today. He/she will better self-advise or advise others in financial investments in the following areas: long-term securities; stocks and bonds; limited income securities; treasury bills; mutual funds. An overview of analytical techniques, construction of investment portfolio and tax considerations will be presented as well. (3 hours weekly)

### **Overall Course Objectives**

Upon completion of this course, the student will be able to:

1. Define investment, participants in the investment process and types of investors.
2. List the basic types of security transactions.
3. Explain the difference between investing in common stock and investing in fixed-income securities.
4. Identify the qualities of options, futures and tangible investments which cause these vehicles to be speculative.
5. Describe the characteristics of mutual funds, real estate investments and tax shelters.
6. Demonstrate knowledge of the various investments by constructing a personal retirement plan.
7. Calculate and interpret the risk and return on an investment.
8. Analyze the suitability of an investment by discounting its cash flows.
9. Evaluate the financial strength of a company by using fundamental analysis.
10. Design a personal financial plan utilizing an extensive computer package which appraises an individual's current situation, selects suitable investments and compares the results with existing alternatives.

### **Major Topics**

- I. The Investment Environment
  - A. The Role and Scope of Investments
  - B. Investment Markets and Transactions
  - C. Investment Information and Plans
  - D. Measuring Investment Return and Risk

- II. Investing in Common Stock
  - A. Common Stock Investments
  - B. Fundamental Analysis of Common Stock
  - C. Stock Valuation and Investment Decisions
- III. Investing in Fixed-Income Securities
  - A. Bond Investments
  - B. Bond Valuation and Analysis
  - C. Preferred Stock and Convertible Securities
- IV. Speculative Investment Vehicles
  - A. Options: Rights, Warrants, Puts and Calls
  - B. Commodities, Financial Futures, and Tangible Investments
- V. Other Popular Investment Vehicles
  - A. Mutual Funds: An Indirect Route to the Market
  - B. Real Estate Investments
  - C. Tax Shelters and Limited Partnerships
- VI. Investment Administration
  - A. Planning and Building a Portfolio
  - B. Portfolio Management and Control

### **Course Requirements**

Grading/exams: Grading procedures will be determined by the individual faculty member but will include the following: two examinations, a comprehensive final and a financial planning project utilizing comprehensive computer software such as "Wealthbuilder."

Writing: Specific writing assignments will be determined by the individual faculty member. Essay questions on exams as well as the analysis accompanying the above mentioned financial planning project will require students to demonstrate a minimum standard of proficiency.

### **Other Course Information**

This course is a core course for an Associate Degree in Financial Planning.

This course is a core course for an Advanced Certificate of Proficiency for Business Management-Financial Planning.

This course is a business elective.

This course is a finance elective for the CPA examination preparation.