

Investment Finance (FIN 403)

Instructor: Professor James T. Tarpeh, II

Semester: Spring 2026

Meeting Times:

Location: Massey Leadership Rm 356

Office Hours: Email or text for appointment

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COURSE OVERVIEW

Investment Finance introduces students to the core principles, analytical tools, and market structures that drive modern investing. As part of the academic offerings supported by the **Morehouse Real Estate Institute**, this course prepares students to think like institutional investors—evaluating securities, constructing portfolios, analyzing risk, and making disciplined financial decisions with clarity and purpose.

Students will explore equity and fixed-income markets, portfolio theory, risk-return dynamics, beta, diversification, valuation approaches, performance evaluation, and the behavioral factors that influence real-world market outcomes. Emphasis is placed on applying concepts using real data, case studies, and hands-on analysis to build confidence and professional readiness in finance and investment strategy.

This course reflects Morehouse's commitment to **leadership, analytical excellence, and disciplined financial thinking**.

LEARNING OBJECTIVES

Students completing this course will be able to:

1. Explain how financial markets function and how capital is allocated.
 2. Analyze risk and return characteristics of major asset classes.
 3. Apply Modern Portfolio Theory, including diversification, covariance, and beta.
 4. Build and evaluate investment portfolios based on client profiles and constraints.
 5. Calculate and interpret investment metrics such as Sharpe ratio, CAPM, alpha, and expected return.
 6. Understand behavioral influences on investor decision-making.
 7. Present investment recommendations with clarity, accuracy, and professionalism.
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REQUIRED MATERIALS

- **Textbook:** *Essentials of Investments* (Bodie, Kane, Marcus) or equivalent.
 - Financial calculator or Excel access.
 - Supplemental readings and market updates provided by the instructor and the Morehouse Real Estate Institute.
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COURSE TOPICS (WEEKLY THEMES)

Week 1 — Introduction to Investing & Capital Markets

Market participants, asset classes, market efficiency.

Week 2 — Time Value of Money & Discounting Techniques

Present value, future value, discount rates, valuation fundamentals.

Week 3 — Securities & Market Structures

Stocks, bonds, mutual funds, ETFs, derivatives overview.

Week 4 — Risk, Return & Investor Behavior

Types of risk, risk premiums, risk aversion, behavioral finance principles.

Week 5 — Modern Portfolio Theory

Diversification, covariance, correlation, efficient frontier.

Week 6 — CAPM, Beta & Systematic Risk

Expected return, alpha, pricing risk, market line concepts.

Week 7 — Portfolio Construction & Optimization

Client constraints, asset allocation, rebalancing strategies.

Week 8 — Bond Pricing & Fixed-Income Analysis

Yields, duration, interest rate risk, bond strategies.

Week 9 — Equity Valuation & Fundamental Analysis

Dividend discount models, multiples, intrinsic value methods.

Week 10 — Performance Metrics & Risk-Adjusted Returns

Sharpe ratio, Treynor measure, Jensen's alpha.

Weeks 11–12 — Applied Portfolio Project

Students design, analyze, and defend a customized investment portfolio.

Week 13 — Final Presentations

Portfolio case presentation to a mock investment committee. Presenters must be in business attire.

ASSIGNMENTS & GRADING

- **Homework / Problem Sets:** 20%

- **Midterm Exam:** 25%
- **Portfolio Project:** 30%
- **Class Participation:** 10%
- **Final Presentation:** 15%

Expectations reflect the Morehouse ethos: **discipline, excellence, preparedness, and leadership.**

COURSE POLICIES

- Attendance and professionalism are required.
 - Assignments must be submitted on time unless prior arrangements are approved.
 - Academic integrity is mandatory.
 - Students are encouraged to follow markets daily (WSJ, Bloomberg, CNBC, etc.).
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ALIGNMENT WITH THE MOREHOUSE REAL ESTATE INSTITUTE

Although this course focuses on investment finance broadly, it complements the mission of the **Morehouse Real Estate Institute** by developing students' quantitative reasoning, analytical judgment, and investment literacy. These skills support success in finance, banking, asset management, corporate roles, entrepreneurship, and real estate capital markets.

Prepared by:

Professor James T. Tarpeh, II

Executive Director, Morehouse Real Estate Institute

Professor of Investment Finance and Real Estate Finance