

Finance, Insurance, and Law 242 - Investments
Fall 2025

Professor: Dr. (Stella) Min-Yu Liao
Time / Location: Section 001: M (in-person) and W (Online) 12:35-1:50 PM 356 State Farm Hall
Section 002: M (in-person) and W (Online) 2:00-3:15 PM 145 State Farm Hall
Office: 420 State Farm Hall
Office Hours: Monday 11 AM – 12 PM or by appointment
Office Phone: (309) - 438-8764
Email: mliao@ilstu.edu

COB Mission:

Through our shared commitment to excellence in teaching, research, and service, we prepare students to be skilled and ethical business professionals who will make significant positive contributions to organizations, to communities, and to our larger society.

Academic Integrity:

You are expected to be honest in all academic work, consistent with the academic integrity policy as outlined in the Code of Student Conduct. All work is to be appropriately cited when it is borrowed, directly or indirectly, from another source. Unauthorized and unacknowledged collaboration on any work or the presentation of someone else's work is plagiarism. In certain circumstances, I may be required to refer violations to the Student Conduct and Community Responsibilities, a unit of the Dean of Students Office.

Prerequisites:

FIL 240 with a grade of C or better. Business major only.

Course Format:

This is a hybrid course that combines in-person lectures, asynchronous lectures on Canvas, and online learning activities.

- **In-person lectures:** All in-person lectures will be held every Tuesday at the time and the classroom listed above.
- **Asynchronous lectures and online learning activities:** The presentation of the course material will be delivered on Canvas. Students are required to pre-study the online material prior to an in-person class and finish the associated activities from the worksheet. It is crucial that you keep up with these activities in order to be successful in this class.

Lecture videos for each chapter are created. All videos are available on Canvas under "Files" at the beginning of the course period. For each chapter, you will find lecture videos and a worksheet. You will receive the worksheet in class, but you are welcome to print the worksheet for additional practice. Please take notes on the worksheet and practice the problems while watching the videos.

Course Objectives:

The objective of the course is to study the theory and empirical evidence relevant for investing. The major topics include:

- . Overview of capital markets
- . Optimal portfolio selection
- . The relation between risk and return
- . Delegated portfolio management and performance evaluation
- . Fixed income securities
- . Derivative markets (time permitting)

Class Materials:

Textbook: Bodie, Kane, and Marcus: *Essentials of Investments*, 9th edition, McGraw-Hill. (Referred to as **BKM** hereafter)

Calculator:

You need a **financial calculator** for this class. Please bring your financial calculator to every class for in-class exercises. (Texas Instruments BAII Plus recommended)

Practice Problems:

Some of the end-of-chapter problems in our textbook will be recommended as practice problems. Solutions to these problems will be provided. Your work on the practice problems will not be collected or graded, but it should help you to prepare for the exams.

Homework Assignments:

There will be five homework assignments with due dates specified in the syllabus. Solutions to homework problems will be released 24 hours after the due date.

All homework assignments are available on Canvas under “Quizzes” at the beginning of the semester. It will remain open until 11:55 pm on the due date. You can access and submit the assignment at any time before 11:55 pm on the due date. Once the assignment is due, you will no longer have access to it, nor will you be able to submit it. **Since you can access and submit each assignment online at your convenience, late homework will not be accepted.**

Exams:

There will be three exams. Exam 1 will be administered during class. Exam 2 and the final exam will be delivered online via Canvas.

Exams are given on specified dates. ***There will be no makeup exams unless appropriate documents are provided to justify the absence.*** For valid reasons (illness, school-sponsored activities, and job interviews are the only valid reasons), makeup exams will be given. **Proof is required when scheduling makeup exams.** It is the student’s responsibility to notify me **BEFORE** the exam if a make-up exam is necessary. It is also the student’s responsibility to schedule a time with me to take the exam no more than three days following the exam. A make-up exam will be substantially modified from that given to the rest of the class. The exams will be given on the following days:

Exam 1:	Monday,	September 29 (In-person)
Exam 2:	Wednesday,	November 19 (Online)
Final Exam (cumulative):	TBD	

Please note that the textbook and the online class notes typically do not contain all the details that we cover in class. When it comes to the question of what will be covered in exams, the answer is always the material covered in class instead of the material covered in the textbook, unless the same material is covered by both.

You will be given a formula sheet (size: 8 ½ x 11) for exam 1. The formula sheet contains only mathematical formulas.

Grading:

In-person Exam 1	25%
Online Exam 2	25%
Online Final exam	25%
Assignments	25%

Total:	100%
--------	------

Grade	Course Points
A	90-100
B	80-89
C	70-79
D	60-69
F	below 60

UNIVERSITY AND BUSINESS SCHOOL POLICIES AND PROCEDURES

Accommodation for Students with Disabilities:

Any student needing to arrange a reasonable accommodation for a documented disability and/or medical/mental health condition should contact Student Access and Accommodation Services at 350 Fell Hall, (309) 438-5853, or visit the website at StudentAccess.IllinoisState.edu.

Absence Due to Illness or Bereavement:

If you have to miss class due to an extended illness (3 or more consecutive class days) or a bereavement, the Dean of Students Office can help. It's located in Room 387, Student Services Building.

For additional information and help...

For help with study skills, test taking, writing skills, grammar, and other academic assistance, the University Center for Learning Assistance (438-7100) provides training that can help you succeed.

FIL 242 Investments
Fall 2025
Tentative schedule

Week	Date	Day	Lecture Topics (Tuesday)	Videos to watch (Thursday)	Homework
1	08/18/2025	M	Ch 5 Risk and Return		
	08/20/2025	W		Ch 1, Ch 2_1, Ch 2_2	
2	08/25/2025	M	Ch 5 Risk and Return		
	08/27/2025	W		Ch 5_1, Ch 5_2, Ch 5_3	
3	09/01/2025	M	Labor Day		
	09/03/2025	W		Ch 3, Ch 4	
4	09/08/2025	M	Ch 6 Efficient Diversification		HW 1 due
	09/10/2025	W		Ch 6_1, Ch 6_2	
5	09/15/2025	M	Ch 6 Efficient Diversification		
	09/17/2025	W		Ch 6_3, Ch 6_4	
6	09/22/2025	M	Exam review session		HW 2 due
	09/24/2025	W			
7	09/29/2025	M	Exam 1		
	10/01/2025	W			
8	10/06/2025	M	Ch 7 Single Factor CAPM		
	10/08/2025	W		Ch 7_1, Ch 7_2	
9	10/13/2025	M	Ch 10 Bond Pricing		HW 3 due
	10/15/2025	W		Ch 10_1, Ch 10_2	
10	10/20/2025	M	Ch 13 Equity Valuation		
	10/22/2025	W		Ch 13_1, Ch 13_2	HW 4 due
11	10/27/2025	M	Ch 13 Equity Valuation		
	10/29/2025	W		Ch 13_3	
12	11/03/2025	M	Ch 15 Options		HW 5 due
	11/05/2025	W		Ch 15_1, Ch 15_2, Ch 15_3	
13	11/10/2025	M	Ch 15 Options		
	11/12/2025	W		Ch 15_4	
14	11/17/2025	M	Ch 16 Option Valuation		
	11/19/2025	W	Exam 2		
15	11/24/2025	M	Thanksgiving Break		
	11/26/2025	W	Thanksgiving Break		
16	12/01/2025	M	Reading discussion + mini quiz		
	12/03/2025	W			
	TBD		Comprehensive Final Exam		