



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

Business Finance 4228/7225 Advanced Investment Analysis The Stock Market

Contact Information:

Royce West, CFA
Senior Lecturer
west.47@osu.edu

Max Pristic
Graduate Assistant
FCOB-sim@osu.edu

Course Objective and Overview:

The class invests approximately \$10 million for the University's Endowment Fund in a practical, hands-on course setting. Students taking this class will learn about and experience financial decision-making from the real-world perspective of the institutional investor.

The course is designed for students who are either pursuing careers in the investment field or who simply have a keen interest in learning more about investments. The undergraduate prerequisites for this course are Business Finance 4212, 4222, 4260, 4230, 4201, and 4250. Students should have a basic understanding of accounting, corporate finance, economics, Modern Portfolio Theory, and statistics.

Students must take this class for a grade.

Course Structure:

The class format will consist of class discussions, guest speakers, and student presentations. The first several weeks of the course will provide the framework and process for the group presentations and stock research report.

The students will be assigned a stock and divided into sector teams. There are eleven sectors in the S&P 500. Each sector team is responsible for tracking trends in its sector and for making a sector outlook presentation. Additionally, the teams will make a stock recommendation presentation. Students are responsible for all news flow regarding their assigned stock (and important sector-related news) throughout the quarter.

Please see the following website for information on The Student Investment Management Program:
www.buckeyefunds.com.

Grading:

The grading for the course consists of six parts:

- 1) Each sector team will present its sector outlook and recommendation to the class.
- 2) Each sector team will present its stock purchase(s)/sale(s) recommendations.
- 3) Participation is a vital portion of this class.
 - a. At the beginning of each class, we discuss the previous week's market-related events. Students should be ready to discuss the following: S&P500 performance for the week, top/bottom sector performers, key economic drivers for the week, and key news that drove the market/stocks for the week, and the assigned reading.
 - b. Be prepared to speak during class. Students will be awarded for class participation.
- 4) Outside of the classroom preparation and attendance are vital to this class. In order to incentivize student preparation and attendance, there will be multiple pop-quizzes held throughout the quarter. Quiz questions may include:
 - a. The previous week's market-related events. Students should be aware of: S&P500 performance for the week, key economic and company-specific releases, and key news that drove the market/stocks for the week.
 - b. The assigned readings.

While attendance is important, please don't attend class if you are ill. Wilce Student Health Center has developed an online, self-reporting "Explanatory Statement for Absence from Class" that we will accept in the event of a health-related issue.

- 5) Four homework assignments will be collected during the quarter. These assignments will be directly applicable to your Final Report.
- 6) In lieu of a final exam, each student will write a report on the stock that he/she follows. The class' top stock reports will be submitted for the Rosenfield Prize (<http://fisher.osu.edu/fin/courses/sim/aboutsim/rosenfieldprize.html>). The paper requirement is fairly intense...so start early.

The following formula will be used to determine the course grade.

Sector presentation	10%
Company presentation	10%
Participation/Quizzes	20%
Homework	20%
Stock Report	40%

Reading Materials:

Standards of Practice Handbook, Tenth Edition: CFA Institute, 2014. Free download at:
<http://www.cfainstitute.org/learning/products/publications/ccb/Pages/ccb.v2014.n4.1.aspx>

Optional:

Expectations Investing, Alfred Rappaport and Michael J. Mauboussin, Harvard Business School Press, 2001, ISBN 13-978-1-59139-127-2.

Students are expected to bring the reading materials to class, as they will be utilized and the readings discussed during the class lectures.

It is also recommended that students regularly read The Wall Street Journal and other financial publications.

Course Policies:

Seating Arrangements: To help the instructor keep track of class participation and to make it easier for you to interact with each other during discussions, he asks that you to sit in the same seat each day and to **bring your name card**. Additionally, it is recommended that you sit with your sector teams.

Submitting the final paper late or not being prepared for an individual or group presentation is highly frowned upon and may result in a substantially reduced grade.

Office Appointments: The instructor will be happy to set up meetings with students to discuss areas of concern and questions. He will be available before or after class on most occasions, but you can also set up additional appointments.

Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss your specific needs. Please contact the Office for Disability Services at 614-292-3307 in room 150 Pomerene Hall to coordinate reasonable accommodations for students with documented disabilities.

Class Outline:

Class	Outline
1	1/8 Discussion: Introduction & Begin the Research Process Course overview-syllabus Finalize stock/group assignments Review Statement of Characteristics
2	1/15 Guest Speaker: Dave Brinkman, Schneider Downs Wealth Mgmt Students: Talk about the market and your stocks Discussion: Using multiples to value stock/sum-of-parts Read before class: <i>Expectations Investing: Chapters 1-4</i> Assignment due: Assignment #1
3	1/22 Students: Talk about the market and your stocks Discussion: Forecasting the Income Statement Read before class: <i>Expectations Investing: Chapters 5-9</i> Assignment due: Assignment #2
4	1/29 Guest Speaker: Dan Roberts, Chief Economist, STRS Ohio Students: Talk about the market and your stocks Discussion: Creating the DCF/Implied P/E Read before class: <i>Expectations Investing: Chapters 10-12</i> Assignment due: Assignment #3
5	2/5 Guest Speaker: John Lane & Scott Adams, OSU Investment Office Students: Talk about the market and your stocks Discussion: Price Targets Read before class: <i>SOPH: Chapters 1-3</i> Assignment due: Assignment #4
6	2/12 Guest Speaker: Chris Verrone, Strategas Research Partners Students: Talk about the market and your stocks Read before class: <i>SOPH: Chapters 4-7</i> Discussion: How to find new stock ideas QUIZ: SOPH
7	2/19 Guest Speaker: John Schwarck, Director of Tech Investments, AEP Students: Talk about the market and your stocks Assignment due: Assignment #5 (#3 and #4 for second stock)

2/26 First Term Exams- No Class

8	3/5	Students: Discussion: Sector Presentations:	Talk about the market and your stocks <i>Price targets</i> Consumer Discretionary Consumer Staples Energy Industrials Materials
---	-----	---	---

3/12 Spring Break- No Class

9	3/19	Students: Sector Presentations:	Talk about the market and your stocks Info Tech Communication Svcs Financials Healthcare
---	------	------------------------------------	--

12	3/26	Guest Speaker: Students: Assignment due:	Ken Chee, STRS Ohio Talk about the market and your stocks Final Paper
----	------	---	--

10	4/2	Students: Stock Presentations:	Talk about the market and your stocks Consumer Discretionary Consumer Staples Energy
----	-----	-----------------------------------	---

11	4/9	Students: Stock Presentations:	Talk about the market and your stocks Industrials Materials Info Tech
----	-----	-----------------------------------	--

13	4/16	Students: Stock Presentations:	Talk about the market and your stocks Communication Svcs Financials Healthcare
----	------	-----------------------------------	---

Finals Week			Grade stock reports
-------------	--	--	---------------------