

Course Syllabus

UIndy Student Fund FIN 440 Section 01 3 Credit Hours

Course Description

The UIndy Student Fund (USF) is a portfolio of financial assets managed by a group of students under the direction of a faculty advisor. The assets are invested under the policies contained in an Investment Policy Statement, which is reviewed annually and approved by the University board of trustees. The USF is designed to provide students with hands on experience in performing security analysis and portfolio management, while developing skills necessary to succeed as an investment professional.

During this course, students will be expected to participate in a series of activities designed to further their knowledge of security analysis and investment banking. The activities will include a review of market research, fundamental analysis of securities, research report creation, and end with a presentation / recommendation to an investment committee. Most work is self-directed and students are expected to allocate a significant amount of time outside class time for this course.

Course Prerequisite

FIN-350 and approval of the instructor. Student must submit an application to the instructor prior to registration.

Course Objectives

At completion of the course, students will be able to:

- ⇒ *Write* a market analysis of an industry sector
- ⇒ *Calculate* the value of a security using multiple valuation models
- ⇒ *Create* a comprehensive research report on an individual security
- ⇒ *Present* a buy/sell recommendation to an investment committee

Instructor

Dr. Matthew W. Will

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Phone: 788-3370 Office: Esch Hall 52

Web: www.mattwill.com (see course web page for supplemental information)

Twitter: [@DrMattWill](https://twitter.com/DrMattWill)

Class Format & Meeting Times

MWF 8:00 am – 8:50 am

Due to outside meeting requirements, regular scheduled class meetings will be changed. See the syllabus for exact meeting dates.

Hybrid - Face to Face, Self -Directed Writing, Presentation Events, Off-site meetings

Office Hours

Mon 9:00 am – 10:00 Am
Tue 4:30 pm – 5:30 pm
Wed 9:00 am – 10:00 am
By appointment

Required Materials

Essentials of Investments by Bodie, Kane and Marcus, 10th edition, McGraw Hill, 2017 or Old Edition

The *Five Rules* for Successful Stock Investing: Morningstar's Guide to Building Wealth and Winning in the Market by Pat Dorsey, 1st Edition, Wiley (2014) – DO NOT PURCHASE until after first class meeting.

Recommended Materials

Wall Street Journal subscription

Security Analysis by Graham & Dodd, 6th edition, New York: McGraw Hill, 2008

Valuation: Measuring and Managing the Value of Companies, by McKinsey & Company Inc., Koller, Goedhart, Wessels, 5th edition, Wiley, 2010

The *Intelligent Investor: A Book of Practical Counsel*, by Graham, B., & Zweig, J., Revised edition, New York: Collins Business Essentials. (2005).

Course Requirements

5% Holding Analysis
10% Industry & Company Thesis
10% Industry & Company Presentations
15% Company valuation models
20% Company research reports
20% Company research presentations
20% Participation, peer evaluations & assignments

Grading

A	90-100%
B	80-89%
C	70-79%
F	0-69%

Pluses and minuses are assigned at the instructor's discretion.

The instructor reserves the right to require supplemental assignments during the semester.

It is important to note that grades are not based upon whether or not the buy / sell / hold recommendations of the students are accepted or implemented. Nor is it based upon the investment performance of securities. Grading is based upon the quality of the work submitted by the students, regardless of market conditions.

Submitting Assignments

Each document must be submitted BEFORE the class listed as DUE and must have a unique title, starting with the student's LAST NAME. When in doubt, ask the instructor for guidance. (e.g. WILL_Holding.docx and WILL_Holdings.pptx)

Holdings Analysis

Each student will be assigned an existing security held by the portfolio. The student must submit thesis of no more than two pages in length. The thesis must include a Hold or Sell recommendation. The student must also prepare an individual PowerPoint presentation, not to exceed 5 minutes, which summarizes the holding and basis for the recommendation. Time will be allocated for Q&A and multiple students may analyze the same security.

Industry Analysis

For diversification purposes, students will be assigned to one or more of “10 Broad Industries” as defined by the Dow Jones sector classification process: <http://www.djindexes.com/sectors/>. Students may focus on a more specific sub-sector with faculty approval. Students will be required to perform an industry analysis. The analysis must include a specific ETF for investment consideration and the ETF must be broadly traded (Schwab listed ETFs qualify as broadly traded). This analysis will contain a written investment thesis and a group PowerPoint presentation. Each individual student will make a Buy / Hold recommendation and the class will vote on the recommendations.

Company Analysis

Students will be required to perform an analysis of three companies from within their assigned industries. The companies will consist of a publicly traded company, an M&A buying company and an IPO company. This analysis will consist of an investment thesis and a group PowerPoint presentation. Each individual student will make a Buy / Hold recommendation and the class will vote on the recommendations.

Company Valuation Models

Students will be required to determine the stock price of each company they analyze. The price must be the result of at least two (more is better) different valuation techniques. At least one of the techniques must be a discounted cash flow fundamental analysis. The student may decide how much weight to give to each model used. Multiple models are encouraged, as it is more likely to arrive at a more accurate price. Each group will present their models to the class using Excel.

Thesis

- All thesis narratives should be between 4 and 10 pages in length, including graphs, tables and exhibits. They must be submitted, electronically, as a MS Word file.
- The thesis should be singled spaced, using formats presented in class and should **NOT** follow APA Style.
- Each document should have a unique title, starting with the student’s LAST NAME. When in doubt, ask the instructor for guidance. (e.g. WILL_IPO.docx)
- The thesis may not be generic and must include very specific information regarding company value drivers. The thesis must contain content unique to your security or industry, as well as substantive enough to demonstrate research and work was conducted. Details will be provided in class.

Presentations

- All presentations must be persuasive in nature.
- Students must be prepared to answer questions from the instructor and fellow students, as well as receive constructive feedback on the presentation content.
- Grading will be based on both the presentation and any ensuing discussion. Where technology is used, the student is responsible for ensuring compatibility and functionality of all equipment.

- Students MAY NOT use notes or other aids. *All speeches must be given from memory and standing in front of the class (i.e. not behind the podium).* A USB enabled clicker will be provided when technology is used.

Industry Presentations – The industry presentation may contain no more than 10 slides and must be done in less than 10 minutes. The goal is to present a thorough analysis of the industry as it currently exists as well as an industry outlook. Student should include data, charts and information on industry leaders. Do not focus on the company you intend to analyze. Time for Q&A does not count against the 10 minutes.

Company Presentations – Using no more than 10 slides in 10 minutes, the requirement is to present an analysis of the company, focusing on the investment potential of the company. Do not perform an actual SWOT analysis, but use SWOT elements to explain why the company may or may not be a good investment. Also, do not present a valuation model. This presentation focuses strictly on the company, its operations and standing within the industry. Q&A does not count against the 10 minutes.

Company Valuation Presentations – Each group will give a presentation on the valuation models they recommend. This will be done by using Excel and a projector. These may be considered working sessions, where models are presented and feedback is provided.

Company Research Presentations – The final presentation will describe all parts of the research report and contain the buy/sell recommendation. This presentation will be made to the investment committee. It should contain elements from the prior industry thesis, company thesis and valuation model. The presentation should also give sufficient attention to the valuation models and a buy/sell recommendation. The presentation must be less than 15. Q&A does not count against the 15 minutes.

Research Reports

- The final research report should be between 10 and 15 pages. It should follow the format discussed in class and similar to the samples provided.
- The research report is a group report.
- The file must be an Adobe PDF file and contain a unique title, beginning with the last name of the student. (e.g. WILL_IBM_Report.pdf)
- All contents, included, but not limited to, charts, spreadsheets, and other graphics are required to be embedded in the document and not contained in other files or links to other files. Only one PDF file will be accepted. It is important to include a bibliography and where internet sources were used, students are encouraged to hyperlink the source in the bibliography URL. Do not use APA style.
- Graphics, tables and other data is encouraged, but should be used where appropriate and not merely to reach the page target.
- The research report should be written in third person prose. Grammar and writing style will be considered when grading the research report.
- Students are encouraged to visit the writing lab if help is needed. Submission of reports to the instructor after visiting the writing lab is highly recommended.

Participation & Peer Evaluations

- Participation is taken seriously in this course. Everyone is expected to participate in the Q&A portion of each presentation. Feedback from fellow students is vital to the learning process, both giving and receiving.
- You will be evaluated by your peers and the instructor will consider this feedback when assigning a participation grade.

Refer to the course website for syllabus readings, videos, samples, etc.

Investment Policy Statement

The course syllabus describes the course requirements and how the curricular process will occur. An equally important document is the UIndy Student Fund Investment Policy Statement (IPS). Students are required to read the UIndy Student Fund IPS and the University of Indianapolis IPS. The USF IPS provides critical information regarding the process by which investments decisions will be made.

While the course is part of the curricular process, students are managing real money. The management of real money involves a legal and fiduciary process. It is important that students fully comprehend the importance of this process and adhere to the requirements contained in these documents.

University Required Stuff

Academic Dishonesty and Plagiarism

You must not adopt or reproduce ideas, words, or statements of another person without giving an appropriate acknowledgement to the source. You must give due credit to the originality of others and acknowledge an indebtedness wherever you:

- Quote another person's actual words, either oral or written;
- Paraphrase another person's words, either oral or written;
- Use another person's ideas, opinions, or theories; or
- Cite facts, statistics, or other illustrative material, unless the information is common knowledge.

All assignments must be your original work and not the work of other students. Neither group work nor the individual work of another student may be submitted by you. Submission of such work will be considered academic misconduct. Incidents of academic misconduct, dishonesty and/or plagiarism will be handled as per the Student Handbook.

According to the Student Handbook:

Academic Integrity and Academic Misconduct: The students, faculty, and administrators of the University of Indianapolis commit themselves to the highest level of ethical conduct in academic affairs. The University of Indianapolis, therefore, adopts regulations concerning Academic Misconduct to safeguard the academic integrity of the institution. Academic Misconduct includes, but is not limited to, the following circumstances: (A) Cheating, (B) Fabrication, (C) Plagiarism, (D) Interference, (E) Violation of Course Rules, (F) Facilitating Academic Dishonesty, and (G) Abuse of Confidentiality. For a full statement of the policy refer to the University of Indianapolis Student Handbook, Section I, Academic Information.

ADA & Disability Accommodation

The professor will provide accommodation for students qualifying for disability-related needs. The student should contact the Services for Students with Disabilities office (SSD) to begin the process. (see <http://www.uindy.edu/ssd> for more information).

Class Attendance, Preparation & Participation

Class attendance is an important part of the academic process, and you are expected to attend classes regularly and to manage your schedule in order to meet the demands of this course. If you are absent, you will be responsible for arranging makeup work to be completed prior to the absence or immediately upon return to class at the instructor's discretion. As per the student handbook, reasonable documentation or verification of claims regarding absences may be requested.

Class preparation is critical to success in this course. You are expected to:

- (a) read the assigned material prior to arriving to class, as well as
- (b) review the solved problem illustrations in the chapter
- (c) prepare a list of questions that you have about the topic.
- (d) participate in class discussions

Please note that the course topics build upon prerequisite knowledge of fundamental business concepts, algebra and basic spreadsheet skills. If you feel you may be deficient in any of these areas, you are encouraged to review them and/or seek tutoring outside of class.

Recording & Copyright Policy

Recording of course lectures and reproduction of class content is not permitted without his expressed permission of Dr. Will. All content created by Dr. Will is copyrighted and he reserves all rights of reproduction and distribution.

Student Handbook

All students are required to have a complete understanding of the student handbook, especially as it relates to student rights and responsibilities. It is up to the student to understand this document.

FIN 440 - Winter 2019

Tentative Schedule (subject to change at the instructor's discretion)

Dates		Description	Readings / Videos / etc.
14-Jan	Class meets	Introduction Course overview & IPS	Weblink 1
16-Jan	Class meets	Account Access, Create Groups, Holding Assignments	Weblink 2, 3, 4
18-Jan	Class meets	Holdings Analysis due Holding Presentations	
21-Jan		NO CLASS - MLK DAY	
23-Jan	Class meets	Holding Presentations	
25-Jan	Class meets	Industry assignments & Thesis	Five Rules - Ch 3 & 13 Weblink 6, 7
28-Jan	Class meets	Industry news discussions	News & Weblink 8
30-Jan	Class meets	Industry news discussions	News & Weblink 8
1-Feb	Help session	Industry research	Five Rules - Ch 14 thru 25 Essentials - Ch 12 Weblink 9
4-Feb	Class meets	Industry Analysis due Industry Presentations	
6-Feb	Class meets	Industry Presentations	
8-Feb	Class meets	Security selection overview Company / Merger / IPO	Five Rules - Ch 6 thru 8 Weblink 10, 11
11-Feb	Class meets	Company news and discussion	News and Weblink 12, 13
13-Feb	Class meets	Company news and discussion	SEC reports & Weblink 14
15-Feb	Class meets	Company research overview	Weblink 15
18-Feb	No Class	Company research	Weblink 16, 17
20-Feb	No Class	Company research	Weblink 18
22-Feb	No Class	Company research	
25-Feb	Class meets	Security Q&A	Weblink 16, 17
27-Feb	Class meets	Company analysis due Company presentations	
1-Mar	Class meets	Company presentations	
4-Mar	Class outing	First Financial Panel attendance	Required

6-Mar	Class meets	M&A news and discussion	Weblink 19
8-Mar	Help session	M&A research	Weblink 20
11-Mar		NO CLASS - Spring Break	
13-Mar		NO CLASS - Spring Break	
15-Mar		NO CLASS - Spring Break	
18-Mar	Class meets	M&A Company analysis due M&A Company presentations	
20-Mar	Class meets	M&A Company presentations	
22-Mar	Class meets	IPO research & discussion	Weblink 21
25-Mar	Help session	IPO research	Weblink 22
27-Mar	Class meets	IPO Company analysis due IPO Company presentations	
29-Mar	Class meets	IPO Company presentations	
1-Apr	Class meets	Company valuation models	Essentials - Ch 13 & 14 Weblink 23, 24, 25
3-Apr	Class meets	Company valuation models	Five Rules - Ch 9 thru 12 Weblink 26, 27, 28
5-Apr	No Class	Valuation model research	Weblink 29, 30, 31
8-Apr	Class meets	Valuation model presentations	
10-Apr	Class meets	Valuation model presentations	
12-Apr	Help session	Research report and presentation	Weblink 32, 33, 34
15-Apr	Class meets	Research reports due Company research presentations	
17-Apr	Class meets	Company research presentations	
19-Apr		No Class	
22-Apr	Class meets	Company research presentations	
24-Apr	Class meets	Company research presentations	
26-Apr	Class meets	Portfolio discussion	
Finals WK		No Class	

* The readings are primarily for reference purposes. This does not mean the readings are optional. This means that numerous sources exist both in print on the internet. Students are **required** to use various sources to access the necessary information for each covered topic.