



# THE OHIO STATE UNIVERSITY

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## FISHER COLLEGE OF BUSINESS

### Honors Investments Busfin 4221H Spring 2023 Course Description and Syllabus

**Instructor:** Matt Sheridan, CFA, CAIA

**Lecture:** Tuesday Thursday 11:10 a.m. – 12:30 p.m. in GE 210

**Office Hours:** Fridays 2-4 p.m.    **Office:** 306 Fisher Hall    **Email:** sheridan.146@osu.edu

**Course Twitter Handle:** @Sheridanfinance

#### Course Description

This course is designed to teach the principles of financial decision making and the investment process. The course will cover current market moving events, multiple asset classes, asset allocation, diversification, security valuation, key player types, efficient market hypothesis, adaptive market hypothesis, behavioral finance, pricing models, active investment management, investment funds, and financial regulation.

Prerequisites: Business Finance 3220, Statistical Techniques 2320, Business Analytics 2321

#### Required Materials

- The Wall Street Journal – Student access for print and digital. Use the following link to subscribe: <https://r.wsj.com/PROFctgm>

#### Recommended/Optional Materials

- *Essentials of Investments*, 11th edition, by Bodie, Kane, and Marcus
- Capital IQ (will be provided at no cost)
- Additional Course Materials will be posted on Carmen

#### Course Schedule

The following schedule is tentative and subject to change based on how the class progresses.

Week	Topic	Readings, Assignments, & Due Dates
1	Course Overview Intro to Investments: Sell Side & Buy Side, Monetary Policy	Ch 1
2	Current State of the Global Financial Markets Real Assets vs. Financial Assets	Ch 2
3	Asset Classes & Types of Financial Instruments Financial Bubbles	Ch 2 & Listed on Carmen Quiz 1 Due 1/29 at 11:59 p.m.
4	Security Markets, Margin, and Shorting Active VS. Passive Management	Ch 3
5	ETFs & Mutual Funds Investment Advice Legal Requirements: Suitability VS. Fiduciary Rise of Robo Advisers	Ch 4 & Listed on Carmen Quiz 2 Due 2/12 at 11:59 p.m.

6	Constructing an Investment Policy Statement Exam 1 on 2/16	Ch 5 & 6
7	Modern Portfolio Theory: Risk & Return Asset Allocation & Portfolio Construction	Ch 7
8	Asset Pricing Models Efficient Market Hypothesis & Adaptive Market Hypothesis	Ch 8
9	Macroeconomics Top-Down Macro Analysis	Ch 12 Quiz 3 Due 3/12 at 11:59 p.m.
10	Equity Markets Equity Valuation Models: DDM, DCF, RV, and Sum of the Parts Exam 2 on 3/23	Ch 13
11	Fixed Income Overview Corporate Bond Characteristics Bond Prices & Yields Term Structure of Interest Rates, Duration, Convexity	Ch 10 Top Down Investing Project Due 4/2 at 11:59 p.m.
12	Credit Analysis Credit Default Swaps & Interest Rate Swaps Structured Products (MBS, ABS, CMBS)	Ch 11 Quiz 4 Due 4/9 at 11:59 p.m.
13	Option Markets & Strategies Futures & Forwards	Listed on Carmen & Ch 15 Quiz 5 & Stock Trading Project Due 4/17 at 11:59 p.m.
14	International Investing Exam 3 on 4/20	Ch 17 & 19
15	Finals Week	Final Project Due 4/28 at 11:59 p.m.

### Class Format

This class meets twice per week. I will follow the flow of topics and concepts in the book selectively. The course will heavily rely on current market moving news and events. During lectures you will be exposed to Bloomberg, which is the most powerful investor tool in the world. Regular class attendance is expected since material will be covered that is not in the textbook. Please feel free to ask questions during lecture. Lecture notes will be on Carmen at least 24 hours in advance of class. I will also use Carmen to distribute emails to the class and post supplemental information.

### Grading

**All Assignments are Classified as Independent Work [ N ↑ ]:** Strictly non-collaborative, original individual work. Discussions with instructor only. No use of Email, Texting, Chat GPT, GroupMe, Google Groups or Hangouts, WeChat, LinkedIn, Facebook Messenger, WhatsApp, Slack, or other forums.

Assignment Category	% of Total Grade
Quizzes	10%
Top Down Investing Project	10%
Stock Trading & Portfolio Management Project	20%
Exam 1	20%
Exam 2	20%
Exam 3	20%

Please note:

- No extra credit will be offered
- Grades will be determined at the end of the term. Any curve, if there is one, is set at that time.
- Grades will not be changed except for a mathematical error.

## **Descriptions of Major Course Assignments**

### **Class Participation**

Regular in-class contribution is required and is an important part of our shared pedagogical experience. Your active participation in discussing current financial market events, course topics, and case studies helps me to evaluate your overall performance as a student. Positive contributions are those that advance the discussion by presenting new ideas, building on other student's comments, or providing forward looking views on financial markets that is supported by market data.

### **End of Chapter Problems**

Solving end of chapter problems is essential for success in this class. For each chapter I will post a recommended list of problems. These problems are representative of what you might see on an exam or quiz, but it is not an exhaustive list.

### **Quizzes**

There will be 4 quizzes but only 3 will be used in your final grade. You may drop your lowest quiz score. The quizzes can be found under the Quizzes tab in Carmen. Please note the due date and time for each quiz. If you do not complete the quiz by the due date deadline, you will not receive partial credit. No quiz extensions, make-ups, or opening a quiz for study purposes will be offered.

### **Project Overviews**

In-depth project instructions will be posted on Carmen.

*Stock Trading/ Portfolio Management Project:* This semester long project will tie lecture theory with dynamic hands on practice.

*Top-Down Investing Project:* Based on current financial market conditions, you will conduct a top down analysis starting with the global macroeconomic view and ending with an investment recommendation. This project will require analysis of recent market data from a Bloomberg Terminal.

### **Exams**

All exams are classified as individual work and the use of any outside material (e.g., book, notes, internet connected devices, ect.) is strictly prohibited. Exams are scheduled to be in-person, but due to Covid-19 (or other circumstances) they could be administered online and monitored by Proctorio.

Only two calculator models are authorized for use during exams:

- Texas Instruments BA II Plus (including BA II Plus Professional)
- Hewlett Packard 12C (including the HP 12C Platinum, 12C Platinum 25th anniversary edition, 12C 30th anniversary edition, and HP 12C Prestige)

Missed exams can only be made-up in extreme cases (e.g., death of family member, personal hospitalization, etc.) with proper documentation (e.g., Emergency Room paperwork, obituary, etc.). Each decision of potentially allowing a make-up exam is made by the instructor on a case-by-case basis. Additionally, you MUST contact the instructor via email (Sheridan.146@osu.edu) if you are experiencing

an extreme situation or emergency ASAP. Alternative methods (e.g., oral exam, essay) of testing may be used for make-up exams.

### **Credit Hours and Work Expectations**

This is a 3 credit-hour course. According to [Ohio State bylaws on instruction](http://go.osu.edu/credithours) (go.osu.edu/credithours), students spend two hours outside of class for every hour spent in class. Since this course meets 3 hours per week, you should expect to spend 6 hours per week outside of class on course-related work. Thus, you should be spending at least six hours per week outside of class on this course alone. That time should be spent reading the required material, taking notes on what you were reading, reviewing lecture notes, meeting with class colleagues in going over what you have learned, working on homework problems, reading current investment news.

### **Instructor Feedback and Response Time**

I am providing the following list to give you an idea of my intended availability throughout the course. Remember that you can call [614-688-4357 \(HELP\)](tel:614-688-4357) at any time if you have a technical problem.

- **Preferred contact method:** If you have a question, please contact me first through my Ohio State email address. I will reply to emails Monday – Friday within 24 hours on days when class is in session at the university.
- **Class announcements:** I will send all important class-wide messages through the Announcements tool in CarmenCanvas. Please check [your notification preferences](http://go.osu.edu/canvas-notifications) (go.osu.edu/canvas-notifications) to ensure you receive these messages.
- **Grading and feedback:** For projects, I will try to provide feedback and grades within ten days. All quizzes and exams will be immediately graded in Carmen upon submission.

### **Academic Integrity Policy**

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the university's [Code of Student Conduct](http://studentconduct.osu.edu) (studentconduct.osu.edu), and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the university's *Code of Student Conduct* and this syllabus may constitute "Academic Misconduct."

The Ohio State University's *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the university or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the university's *Code of Student Conduct* is never considered an excuse for academic misconduct, so

I recommend that you review the *Code of Student Conduct* and, specifically, the sections dealing with academic misconduct.

**If I suspect that a student has committed academic misconduct in this course, I am obligated by university rules to report my suspicions to the Committee on Academic Misconduct.**

If COAM determines that you have violated the university's *Code of Student Conduct* (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the university.

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Other sources of information on academic misconduct (integrity) to which you can refer include:

- [Committee on Academic Misconduct](https://go.osu.edu/coam) (go.osu.edu/coam)
- [Ten Suggestions for Preserving Academic Integrity](https://go.osu.edu/ten-suggestions) (go.osu.edu/ten-suggestions)
- [Eight Cardinal Rules of Academic Integrity](https://go.osu.edu/cardinal-rules) (go.osu.edu/cardinal-rules)

### **Your Mental Health**

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. No matter where you are engaged in distance learning, The Ohio State University's Student Life Counseling and Consultation Service (CCS) is here to support you. If you find yourself feeling isolated, anxious or overwhelmed, [on-demand mental health resources](https://go.osu.edu/ccsondemand) (go.osu.edu/ccsondemand) are available. You can reach an on-call counselor when CCS is closed at [614- 292-5766](tel:6142925766). **24-hour emergency help** is available through the [National Suicide Prevention Lifeline website](https://www.nationalsuicideline.org) (suicidepreventionlifeline.org) or by calling [1-800-273-8255\(TALK\)](tel:18002738255). [The Ohio State Wellness app](#)

### **Accessibility Accommodations for Students with Disabilities**

The university strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability including mental health, chronic or temporary medical conditions, please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with [Student Life Disability Services \(SLDS\)](#). After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion.

### **Student COVID-related Accommodation Process**

Please note that aspects of this course are subject to change based on the university's response to COVID-19. The university's safety and health guidelines are listed at: <https://safeandhealthy.osu.edu>. If you have been exposed to COVID-19 or test positive, please

refer to the university's guidance at: <https://safeandhealthy.osu.edu/tracing-isolation-quarantine>

The university is committed to supporting students and program participants with COVID-19 based risk factors. Student Life Disability Services, in conjunction with the Office of Institutional Equity, will work with students who are vulnerable to complications from COVID-19 to ensure that they have the necessary resources to participate in university life as safely as possible. Ohio State students from any campus may submit a [COVID-related accommodation request](#). Students registered with Student Life Disability Services can work directly with their [assigned Access Specialist](#) to modify their accommodations or make additional COVID-based accommodation requests.

#### **Disability Services Contact Information**

- Phone: [614-292-3307](tel:614-292-3307)
- Website: [slds.osu.edu](http://slds.osu.edu)
- Email: [slds@osu.edu](mailto:slds@osu.edu)
- In person: [Baker Hall 098, 113 W. 12th Avenue](#)

## **Appendix A: Sheridan's Recommended Readings**

### **General Investing/Economic/Academic**

*The Intelligent Investor*, Benjamin Graham

*The Most Important Thing*, Howard Marks

*Margin of Safety*, Seth Klarman

*Irrational Exuberance*, Robert Shiller

*Stocks for the Long Run*, Jeremy Siegel

*A Random Walk Down Wall Street*, Burton Malkiel

*Fooled by Randomness*, Nassim Nicholas Taleb  
*The Black Swan*, Nassim Nicholas Taleb  
*The Little Book of Common Sense Investing*, John Bogle  
*One Up on Wall Street*, Peter Lynch  
*Beating the Street*, Peter Lynch  
*The Index Revolution*, Charlie Ellis  
*Buffett*, Roger Lowenstein  
*Poor Charlie's Almanac*, Charles Munger  
*Against the Gods*, Peter Bernstein  
*Adaptive Markets*, Andrew Lo  
*Misbehaving*, Richard Thaler  
*The Alchemists*, Neil Irwin  
*Common Stocks and Uncommon Profits*, Philip Fisher  
*Think Twice*, Michael Mauboussin  
*Mastering the Market Cycle*, Howard Marks  
*How to Invest*, David Rubenstein  
*Trillions*, Robbin Wigglesworth

## **Wall Street Culture & History**

*Liars Poker*, Michael Lewis  
*Too Big to Fail*, Andrew Ross Sorkin  
After the Music Stopped, Alan Blinder  
*The Big Short*, Michael Lewis  
*The Predators' Ball*, Connie Buck  
*The Bond King*, Mary Childs  
*Young Money*, Kevin Roose  
*Other People's Money*, John Kay  
*A History of the United States in Five Crashes*, Scott Nations  
America's Bank, Roger Lowenstein  
*Flash Boys*, Michael Lewis  
*Barbarians at the Gate*, Brian Burrough & John Helyar  
*Billion Dollar Whale*, Tom Wright & Bradley Hope

## **Hedge Funds**

*When Genius Failed*, Roger Lowenstein  
*A Man for all Markets*, Edward Thorp  
*More Money than God*, Sebastian Mallaby  
*Alpha Masters*, Maneet Ahuja  
*Black Edge*, Sheelah Kolhatkar  
*The Man Who Solved the Market*, Gregory Zuckerman  
*The New Market Wizards*, Jack D. Schwager  
*No Bull*, Michael Steinhardt  
*When the Wolves Bite*, Scott Wapner  
*A Tiger in the Land of Bulls and Bears*, Julian Robertson  
*Principles*, Ray Dalio  
*Hedge Fund Market Wizards*, Jack Schwager

*Fooling Some of the People All of the Time*, David Einhorn  
*The Alchemy of Finance*, George Soros  
*The Quants*, Scott Patterson

## **Investing Foundations and Valuation**

*Security Analysis*, Graham & Dodd  
*Fixed Income Analysis*, Frank Fabozzi  
*Valuation 7<sup>th</sup> Edition*, Tim Koller, Marc Goedhart, and David Wessels  
*Narrative and Numbers*, Aswath Damodaran  
*The Little Book of Valuation*, Aswath Damodaran

## **Non-Investing Books (that cover various investing themes)**

*Thinking, Fast and Slow*, Daniel Kahneman  
*Factfulness*, Hans Rosling  
*The Art of Learning*, Josh Waitzkin  
*Thinking in Bets*, Annie Duke  
*The Outsiders*, William Thorndike, Jr.  
*Sapiens: A Brief History of Humankind*, Yuval Noah Harari  
*Rise of the Robots*, Martin Ford  
*The Signal and the Noise*, Nate Silver  
*Are You Ready to Succeed?*, Srikumar Rao

## **Appendix B: Suggested Investing Related Podcasts**

### **Masters in Business with Barry Ritholtz**

Charlie Ellis	12/23/2022	Katie Stockton	9/8/2017
Siegel and Schwartz	10/28/2022	Ed Thorp	7/14/2017
Bill Gross	4/1/2022	Andrew Lo	4/21/2017
Ray Dalio	1/7/2022	Charles Ellis	4/13/2017
Michael Mouboussin	12/17/2021	Burt Malkiel	3/31/2017
Bill Miller	7/10/2020	Michael Lewis	12/9/2016
Jeremy Siegel	6/19/2020	Bill Miller	11/4/2016
Jim Chanos	5/2/2020	Aswath Damodaran	10/28/2016
Fama & Booth	11/8/2019	William McNabb	10/21/2016
Josh Wolfe	8/16/2019	Michael Mauboussin	8/12/2016
Michael Lewis	4/5/2019	Daniel Kahneman	8/4/2016
Howard Marks	2/27/2019	Jack Schwager	6/22/2016
Joe Davis	2/15/2019	Jack Bogel	3/11/2016
Jack Bogel Remembered	1/18/2019	Mohamed El-Erian	2/13/2016
Bethany McLean	12/13/2018	Roger Lowenstein	12/5/2015
Ray Dalio	11/30/2018	Jeremy Siegel	10/18/2015
Howard Marks	10/4/2018	Jason Zweig	9/11/2015
Leon Cooperman	8/10/2018	Howard Marks	7/19/2015
Robert Arnott	7/26/2018	Richard Thaler	6/14/2015



James Chanos	5/11/2018	Scott Galloway	6/5/2015
Joel Greenblatt	4/20/2018	David Booth	5/22/2015
Ray Dalio	12/7/2017	Cliff Asness	2/21/2015

### **The Tim Ferriss Show**

Howard Marks

Ray Dalio

Hedge Funds, Investing, and Optimizing Lifestyle: Mark Hart & Raoul Pal

Becoming the Best Version of You: Josh Waitzkin, Adam Robinson, & Ramit Sethi

### **Other Investment Related Podcast Suggestions**

NPR Planet Money

NPR The Indicator from Planet Money

The Curious Investor by AQR Capital Management, LLC

Animal Spirits – Michael Batnick and Ben Carlson

Invest Like the Best – Patrick O'Shaughnessy

The Meb Faber show

Capital Allocators – Ted Seides