



FISHER

COLLEGE OF BUSINESS

Applied Fundamental Investing

Busfin: 4235

SP 2022

Course Description and Syllabus

Instructor: Steve Salopek, MBA

Lecture:

(34633) M-W 11:10 am –12:30 pm SB 230

(34634) M-W 12:45 pm – 2:05 pm SB 305

Office: Fisher Hall 255-A

Email: salopek.5@osu.edu

Office Hours:

Course Description:

The asset management industry has over \$49 trillion dollars in the United States and more than \$103 trillion globally in vehicles including mutual funds, hedge funds and ETF'S.

To find employment in this industry it is necessary to know some of the specialized skills that are required, above and beyond those taught in more general Investments and Corporate Finance classes. The goal of this class is to provide an introduction to the skills needed to enter the field of professional money management.

You are expected to have already completed the base courses in finance as well as an introduction to Investments. You should also be familiar with using EXCEL.

Prerequisites: Business Finance 4220

The main goals of this course are:

- 1.) Begin to develop an Investment Philosophy and an understanding of different investment styles
- 2.) Begin to develop an Investment Process and a framework for identifying attractive investment ideas
- 3.) Developing your ability to research potential investment ideas utilizing a comprehensive process and make investment recommendations and decisions.
- 4.) Improving your financial modeling skills
- 5.) Improving your understanding of current events in the financial markets

Course Structure:

The class format will be both lecture and project based. The class format will consist of class discussions, and guest speakers and will be HIGHLY interactive. Throughout the course participants will learn the key aspects of the investment research process from the perspective of an institutional investor.

Concurrently, students are expected to form 2 person teams and to identify an attractive investment opportunity in equities, either long or short. The final project will be an in-depth written analysis and investment opinion on a stock of your choosing. The combination of guidance from the instructor and the project based approach where you can apply the concepts taught in class will prepare you to have a good understanding of the investment research process.

Text and Materials (Required):**CFA Institute Standards of Practice Handbook**

The Wall Street Journal -NOT KIDDING!!!!!!!!!!

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.

Course Schedule:

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

| Date | Topic | Date | |
|--------|---|------------------------|--|
| Week 1 | Intro and Course Requirements Investment Philosophy | 3/03/2022 | |
| Week 2 | Investment Styles- Growth/Value Ethics and Investment Analysis Where to find Information- Company filings | 3/08/2022 3/10/2022 | |
| Week 3 | Screening for Investment ideas Formulating an Economic Opinion Secular Change | 3/22/2022 3/24/2022 | |
| Week 4 | Industry analysis Business Analysis frameworks | 3/29/2022 3/31/2022 | |
| Week 5 | Company analysis Ratio Analysis Dupont Analysis Building a financial model | 4/05/2022 4/07/2022 | |
| Week 6 | Financial Model Valuation | 4/12/2022 4/14/2022 | |
| Week 7 | Valuation Assessing risk | 4/19/2022 4/21/2022 | |
| Week 8 | Final Case DUE April 26, 2022 | Ch 6 | |

Grading:

| | |
|-----------------------|------|
| Attendance | 10% |
| Participation | 10% |
| 4 interim assignments | 20% |
| Final Project | 60% |
| Final Grade | 100% |

No extra credit 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 FOR ANY REASON EXCEPT FOR MATHEMATICAL ERRORS

There are 4 components that will determine your FINAL GRADE:

Attendance: Because this class is HIGHLY interactive and project based attendance is vital. If you will be absent from class for an ACCEPTABLE reason it is your responsibility to let the instructor know BEFOREHAND. Failure to notify or any unexcused absence from class will result in a 25 point deduction from the attendance portion of your grade. More than 1 EXCUSED absence will also result in a deduction from the attendance portion of your grade

Participation: There will be a significant focus during this class and discussion of current market events and therefore it expected that you are both prepared for that discussion as well as willing to participate. The participation portion of your grade will be adjusted at the end of the semester to reflect your contribution to class discussions.

Interim Assignments: There will be 4 interim assignments that will be handed in over the 7 week period. These assignments are the building blocks to your final report. Although the final project is a team effort the interim assignments must be submitted individually. The assignments will be discussed a week in advance and will be posted on Carmen.

Final Project: Your 2 person team will select a company for an in-depth analysis for investment in its equity security. Your analysis is expected to be 10-20 pages in length and will include an economic outlook, identifying and analyzing applicable secular themes, analysis of the company's current prospects and outlook and a detailed financial model and valuation analysis.

Course Policies:

Absence from class: If you are going to be absent form class please notify the instructor via **email** beforehand. salopek.5@osu.edu

Seating: Seats will not be assigned but after the first day of class please sit in the same seat and in the vicinity of your partner for the final project. Name cards will be distributed the first day of class and please bring them with you so that I may keep track of participation.

Late assignments: ANY assignment submitted after the due date will result in a substantially reduced grade. **NO EXCEPTIONS**

Course materials: Any course materials used during the semester (ie lecture slides, quizzes, exams) are for your personal use ONLY. Course materials are not to be posted (ie Course Hero, Chegg) or distributed in any manner.

Students with Disabilities:

The Office of Disability Services verifies students with specific disabilities and develops strategies to meet the needs of those students. Students requiring accommodations based on identified disabilities should contact me at the beginning of the semester to discuss his or her individual needs. All students with a specific disability are encouraged to contact the Office of Disability Services to explore the potential accommodations available to them.

Electronic Devices:

The absence of unnecessary distractions and interruptions is essential for a positive and effective learning environment. **Thus, students may not use ANY electronic device in class, unless explicitly permitted by the instructor.** All electronic devices must be turned off and put away prior to the start of class. **ANY USE OF A CELLPHONE DURING CLASS WILL RESULT IN A REDUCTION IN CLASS PARTICIPATION GRADE. THERE WILL BE NO EXCEPTIONS TO THIS POLICY**

Students who want to take electronic notes may do so *but only* if it is on a tablet device and that tablet must remain on the flat table top for the entire class time. **YOU MUST HAVE INSTRUCTOR APPROVAL TO TAKE ELECTRONIC NOTES.**

Academic Integrity:

All students enrolled in this course are responsible for abiding by the guidelines outlined in the University's Code of Student Conduct. According to University Rule 3335-31-02, **all suspected cases of academic misconduct will be reported to the Committee on Academic Misconduct.**

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, 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.

DIVERSITY

The Ohio State University affirms the importance and value of diversity of people and ideas.

We believe in creating equitable research opportunities for all students and to providing programs and curricula that allow our students to understand critical societal challenges from diverse perspectives and aspire to use research to promote sustainable solutions for all. We are committed to maintaining an inclusive community that recognizes and values the inherent worth and dignity of every person; fosters sensitivity, understanding, and mutual respect among all members; and encourages each individual to strive to reach their own potential.

The Ohio State University does not discriminate on the basis of age, ancestry, color, disability, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, race, religion, sex, gender, sexual orientation, pregnancy, protected veteran status, or any other bases under the law, in its activities, academic programs, admission, and employment.

Disenrollment:

Fisher College University Rule 3335-8-33 provides that a student may be dis-enrolled after the third instructional day of the quarter, the first Friday of the quarter, or the student's second class session of the course, whichever occurs first, if the student fails to attend the scheduled course without giving prior notification to the instructor.