



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

SMF CORE CAPSTONE PROJECT

Course Description and Syllabus Fall 2023 (Term II) BUSFIN 6225

Instructor Information

Royce West, CFA
Office Hours: By appointment
Office: 255B Fisher Hall
Email: west.47@osu.edu

Course Description

This is an action-based course for students in the Specialized Masters – Finance (SMF) program. The objective of the course is to give SMF students an opportunity to practice analytical and soft skills by working in teams on a capstone finance project based on knowledge acquired in core coursework.

The project will be an Equity Research Report. Teams will be asked to select a publicly traded company and produce a research report that includes an industry overview, business model analysis, investment thesis, pro forma financial statements, and a target stock price based on a blend of intrinsic (Discounted Cash Flow) and relative valuation.

Teams will be expected to produce a project management plan at the start of the course, meet regularly with the course supervisor to review progress and receive feedback. All teams will submit their final report and presentation slide deck on **Friday 12/1 by 1 p.m.**
Team presentations will also be on 12/1 from 1-4:30 p.m.

Details on the schedule of final presentations will be provided in due course. Weekly meetings with teams will be scheduled by the course instructor as needed to monitor progress and provide feedback.

Expectations

You are asked to form teams of 4-5 students. Teams should be diverse across multiple attributes, such as ethnicity, gender, educational and professional experience backgrounds. Each team will identify a leader. Team leaders are expected to act as liaisons between the team and the instructor of the course.

Please send me an email with the list of your team's members by Friday October 20.

Team members are expected to:

- Produce a project management plan with specific milestones and present it to the course instructor for approval by Tuesday, October 24th.
- Submit an agreement of team roles and rules signed by all team members by Tuesday, October 24th.

- Coordinate their schedules to arrange for regular team meetings as well as meetings with the course instructor.
- Meet every 7-10 days with the course instructor supervising their project to review progress in reaching the plan's milestones.
- Manage the project in such way that they reach the project's milestones.
- Resolve any problems that arise as soon as possible by reaching out to their instructor.
- Ensure that all team members accomplish their assigned tasks in a timely manner according to the project management plan's milestones.
- Address issues of any team member's lack of performance by reaching out to their faculty supervisor as soon as a pattern emerges.
- Submit all project deliverables by 12/1 and make an in-person presentation on 12/1 according to the final presentations schedule.

Project Description

Each team will select a publicly traded company and produce an Equity Research Report by December 1st. Each team will be named after their company. This exercise will enable each team to develop a good understanding of that company's history, financial performance, main competitors, and forces that shape the company's industry. **Each team must select a company by Monday, October 23rd.** Each team will work on this report for a six-week period from 10/23 until 12/1 and will present their findings during final presentations on Friday, December 1st (1:00-4:30PM). The selected company must meet the guidelines for the Equity Research Report guidelines outlined in the last two pages of the syllabus. Notify me of your company selection by e-mail. Companies will be assigned to teams on a first-come, first-served basis.

Grading Procedures

Course grades will be assigned based on the following criteria:

- Quality of final deliverables according to the course project guidelines.
- Quality of final presentation.
- Progress with reaching milestones as outlined in the project management plan.

The above criteria will weigh heavily in the determination of the final grade. However, additional criteria will also play a crucial role in the evaluation of each team and individual team members, such as:

- Professional conduct by all team members
- Teammate evaluation of each member's performance

All teams must strive to meet the above stated expectations. Team members must place above all the team's interests to ensure the quality and timely submission of the project's deliverables.

Teamwork

This is a team effort so each team member should place the client's interests, and thus the team's performance, above their personal motives. To ensure team success the following suggestions should be followed:

- Communicate effectively, meaning in a timely and professional manner, with each other and the course instructor.
- Maintain a record (meaning e-mails) of all communications between your teammates and the course instructor.
- Team leaders should be the main contact point between the team and the course instructor.
- Team leaders must ensure that all team members are copied in all forms of communication.
- Team members commit to the success of the team.
- The team plans ahead, leaving time for contingencies.
- Team members, and primarily the team leader, ensure that tasks have been allocated fairly among the team's members and that project milestones are reached. They also reach out to the course instructor to ensure that difficulties with managing the project are addressed in an expedited manner.
- Team leaders as well as individual members should discuss concerns about underperformance or lack of collaboration among teammates with the course instructor at the first sign that such problems cannot be adequately resolved within the team.
- Team members show up for meetings, have completed their assigned tasks according to the project management plan, and are prepared to contribute.

Failure to adhere to the above expectations could result in a lower course grade, including failing the course.

Meeting Schedule

Teams will meet regularly with the course instructor, most likely every week to ten days. During these meetings, teams will report on their progress. The course instructor will ensure that teams are on track according to their project management plan. The schedule of meetings will most likely coincide with the timeline of milestones on the team's project management plan. Meetings will take place for the most part on Tuesdays during the regular class time.

Academic Integrity

From the Fisher College statement on your obligation to maintain academic integrity:

"As a member of the Fisher College of Business community, I am personally committed to the highest standards of ethical behavior. Honesty and integrity are the foundation from which I will measure my actions. I will hold myself accountable to adhere to these standards. As a leader in the community and business environment, I will pledge to live by these principles and celebrate those who share these beliefs."

Students are responsible for knowing and abiding by these standards.

Academic Misconduct

Cheating is grounds for failing this course and additional sanctions. In accordance with faculty rule 3335-5-487, all instances of alleged academic misconduct will be reported to the university Committee on Academic Misconduct. If the committee concludes that a violation has occurred, it recommends appropriate sanctions to the Office of Academic Affairs. As stated in the university's Code of Student Conduct (<http://studentaffairs.osu.edu/resources/>), students have an obligation to report academic misconduct. Such misconduct can be reported to the appropriate faculty member or program dean; confidentiality is protected.

Permitted collaboration for this course is as follows:

Team project and final team presentation – Collaboration with *teammates only*

Disability Services

The university strives to make all learning experiences as accessible as possible. In light of the current pandemic, students seeking to request COVID-related accommodations may do so through the university's [request process](#), managed by Student Life Disability Services. 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. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. **SLDS contact information:** slds@osu.edu; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

EQUITY RESEARCH REPORT GUIDELINES

**Follow these guidelines closely as you work on this project.
Failure to do so will result in lost points**

The purpose of this project is to give you the opportunity to apply the concepts and techniques you learned in core coursework in a real-life setting. To that end, you are asked to perform a financial analysis and valuation of your adopted firm. The company you adopt must be a constituent of the S&P500 index and cannot be a financial service company or utility. You must select a company that has been in continuous operation for the past 10 years and has not been through bankruptcy.

For this project, you will collect and analyze financial information on your adopted company. Your report will address certain aspects of your company's financial performance following the list of topics provided in the report outline below.

The report should meet the following guidelines:

- The report (text) should not exceed 10 pages. There is no limit on attached exhibits (appendices, charts, tables, etc.).
- You must include a one-page executive summary that includes a header with the following information:
 - Company name
 - Equity Ticker
 - Sector/Industry
 - Recommendation (Buy/Hold/Sell)
 - Current Price (as of ____ date)
 - 12 Month Target Price (%Increase/Decrease)
- The report must include the following sections:
 - Business Description
 - Industry Overview and Competitive Positioning
 - Investment Thesis
 - Summary of Intrinsic and Relative Valuation
 - Financial Analysis
 - Investment Risks
 - Overview of ESG and Legal/Regulatory Matters
- The Appendix must include:
 - Pro-forma Financial Statements
 - DCF Model
 - Relative Value Model
 - Citations and Market Data Screen Shots
- Team presentation must meet the following guidelines:
 - Use a maximum of 20 minutes
 - All team members must participate
 - Use PowerPoint slides
 - Present the main points of your report

List of companies that are NOT eligible to research

1. Royal Caribbean
2. Merck
3. Chesapeake Energy
4. Microchip
5. Marriott
6. Hershey
7. ConAgra Foods
8. Estee Lauder
9. Oracle
10. Mattel
11. Coca Cola
12. DR Horton
13. Electronic Arts
14. EOG Resources
15. Harley Davidson
16. John Deere
17. Mettler Toledo
18. Monster
19. Nike
20. Pfizer
21. Whirlpool
22. Activision
23. Adobe
24. AMD
25. American Airlines
26. Cerner
27. Dollar General
28. Equity Residential
29. Gilead
30. Intuitive Surgical
31. Norfolk Southern
32. Nvidia
33. PVH
34. Cardinal Health
35. Colgate
36. Costco
37. Delta
38. GAP
39. Lockheed Martin
40. Mastercard
41. MGM
42. Ralph Lauren
43. Starbucks
44. Home Depot
45. Boeing
46. United Airlines
47. United Healthcare
48. Take-Two Interactive
49. Intuit
50. Netflix
51. Amphenol
52. Hilton
53. Walmart

54. Micron
55. P&G
56. Visa
57. Intel
58. McDonalds
59. Caterpillar
60. Kraft Heinz
61. Tesla
62. Mondelez
63. Verizon
64. A.O. Smith