

**Georgia Institute of Technology**  
**Scheller College of Business**  
**Investments (MGT 3076)**  
**Fall 2018**

Instructor: Daniel Weagley

Office: Management 412

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Class Time: TR 1:30PM - 2:45PM, 201 Management

Office Hours: By appointment

TAs: Joseph McDonough (jmcdonough9@gatech.edu). Yuxin Liu (yliu3007@gatech.edu).

TA Office Hours: By appointment

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**Overview:**

This course provides a foundation for the fundamental concepts in investments. The course will cover the trade-off between risk and return, asset allocation, portfolio theory, theories of asset pricing and efficient markets, portfolio strategies, the valuation of equity and debt securities and a broad overview of the financial markets. The course is quantitative and relies heavily on analytical tools and economic theory developed throughout the course.

**Prerequisites:**

MGT 3062

**Resources:**

*Text:* Bodie, Kane and Marcus (BKM), Essentials of Investments, 10th Edition.

Note: This course requires the textbook's Connect feature. Connect allows for online assessments and comes with an eBook. If you would like a hard copy of the textbook, it can be bundled with Connect for an additional \$40. Sign up for Connect at: [Link](#)<sup>1</sup>

For instructions on how to sign up, go to: <http://screencast-o-matic.com/watch/cojorVfzzZ>

*Course Materials:* Lecture notes, homework, sample exams and additional readings will be uploaded to Canvas.

**Evaluation:**

Your course grade depends on your performance on homework, exams, and class participation. Exams will cover material from lectures, assigned readings, and homework.

Overall grades for the class are based on absolute scale: A ( $\geq 90$ ), B ( $\geq 80$ ), C ( $\geq 70$ ), D

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<sup>1</sup><http://connect.mheducation.com/class/d-weagley-investments---mgt-3076---fall-2018>

( $\geq 60$ ), and F.

Your course grade will be weighted as follows:

Assignment	Due Date	% of Grade
<i>Exams [60%]</i>		
Exam 1	Tuesday, September 25th	21%
Exam 2	Thursday, November 1st	21%
Exam 3	Monday, December 10th (2:40PM-5:30PM)	18%
<i>Homework [32%]</i>		
Weekly Problem Sets	Monday at 11:59 p.m.	10%
Stock Pitch Video and Report	Tuesday, September 18th	7%
Trading Simulation Initial Report	Thursday, October 18th	5%
Trading Simulation Final Report	Thursday, November 29th	5%
Trading Simulation Presentation	Thursday, November 29th	5%
<i>In Class [8%]</i>		
In Class Participation	-	3%
In Class Assignments	-	5%

### Exams:

There will be three exams. The 2nd and 3rd exams are not cumulative (i.e., the exams only cover the new material since the previous exam). You must have prior permission to make up an exam. Only a special case will be considered a reason to permit you to take an alternate exam. Exams will not be handed back in class. Students will be allowed to see their exam during office hours or another coordinated time for two weeks after the exam date. After two weeks, students will no longer have access to the exam and there will be no modification to the exam grade.

### Individual Homework:

*Weekly Problem Sets:* Each week I will assign a small set of problems that highlight the important concepts covered in the lecture. These problems will be assigned via the Connect system and due **Monday at 11:59pm**. You will have 2 attempts to complete each weekly problem set. Some problems on the exams will be taken directly from assigned problems.

### Team Projects:

*Stock Pitch Video:* Team members will work together to evaluate the equity of a company and its peer firms using techniques used in class. Team members will submit a 5-minute

video “pitching” the investment based on their analysis. Students will evaluate their peers investment pitches and “make an investment decision.” The team with the most willing investors will receive 1% extra credit towards their course grade. Additional details will be provided in class. Team members will be asked to rate the effort given by each group member.

*Trading Simulation:* Team members will work together to invest a \$1 million portfolio of virtual capital. Trading will start after the first exam and continue throughout the semester. Students will be required to invest a portion of the portfolio based on a specific strategy used by professional money managers. The remainder of the portfolio can be invested however the team members prefer. The trading simulation will consist of three parts. The first part is an initial report on the investment strategies you plan to pursue, the second part is a final report reviewing your performance and the third part is in in-class presentation discussing your performance. **The top team in terms of Sharpe ratio (as of Thursday, November 29th at the start of class) will get 1% extra credit towards their course grade.** Team members will be asked to rate the effort given by each group member.

### **In-Class Assignments and Participation:**

The participation grade will be determined by completing in-class work and participating in class discussion. In-class work will be worth 5% of your overall grade. I will collect in-class work at least seven times during the semester. Each day will be worth 20% of your in-class assignment grade up to a maximum of 100% (i.e., turn in in-class work at least 5 of the 7 classes in which assignments are collected for full credit). If you have an excused absence, you can turn in the in class assignment by the following class period. The class discussion grade is worth 3% of your overall grade. It will be based on attendance and engagement in class discussion. Students should ask and provide thoughtful questions and answers benefiting all students.

You are responsible for all announcements made in class. Check with your colleagues if you miss class.

You will need to bring a computer with Microsoft Excel to most classes. Laptops and cell phones are permitted during class. Cell phones may only be answered in case of emergency. Please refrain from visiting social networking sites and texting during class.

### **Honor Code**

It is your responsibility to familiarize yourself with the Georgia Tech Honor Code. Students are expected to follow the Honor Code. Violations of Honor Code will result to an F grade in this course. Any violation of the code will be further reported to the university.

### Tentative Class Schedule (subject to change):

Week	Class Topic	Homeworks and Exams
1	Syllabus and Basics of Finance	
2	Financial Statement Analysis	
3	Equity Valuation	
4	Equity Valuation continued	No Class: Thursday, September 13th [Work on project]
5	Trading Securities	Stock Pitch Video Due Tuesday, September 18th
6	Exam 1 Risk, Return and Portfolio Math	Exam 1 (Tuesday, September 25th)
7	Efficient Diversification	
8	Efficient Diversification Continued	No class: Tuesday, October 9th [Fall Break]
9	Single-Index Model & CAPM	Initial Trading Simulation Report Due (Tuesday, October 16th)
10	Multi-factor Models	
11	Exam 2	Exam 2 (Thursday, November 1st)
12	The Efficient Market Hypothesis	
13	Behavioral Finance	
14	Fixed Income Thanksgiving	No class: Tuesday, November 20th [Online lecture video]
15	Fixed Income /Presentations	Trading Simulation Report Due (Thursday, November 29th)
16	Presentations	
17	Final	Monday, December 10th (2:40PM-5:30PM)

### Support Services and Resources:

In your time at Georgia Tech, you may find yourself in need of support. Below you will find some resources to support you both as a student and as a person.

#### Academic Support:

- Center for Academic Success
  - 1-to-1 tutoring: <http://success.gatech.edu/1-1-tutoring>
  - Peer-Led Undergraduate Study (PLUS): <http://success.gatech.edu/tutoring/plus>
  - Academic coaching: <http://success.gatech.edu/coaching>
  - <http://success.gatech.edu>
- Residence Life's Learning Assistance Program

- Drop-in tutoring for many 1000 level courses
- <https://housing.gatech.edu/learning-assistance-program>
- OMED: Educational Services
  - Group study sessions and tutoring programs
  - <http://omed.gatech.edu/programs/academic-support>
- Communication Center
  - Individualized help with writing and multimedia projects
  - <http://www.communicationcenter.gatech.edu>
- Academic advisors for your major
  - <http://advising.gatech.edu/>

**Personal Support:**

- The Office of the Dean of Students:
  - URL: <http://studentlife.gatech.edu/content/services>
  - Phone: 404-894-6367
  - Location: Smithgall Student Services Building 2nd floor
  - You also may request assistance at:  
[https://gatech-advocate.symplicity.com/care\\_report/index.php/pid383662?](https://gatech-advocate.symplicity.com/care_report/index.php/pid383662?)
- Counseling Center:
  - URL: <http://counseling.gatech.edu>
  - Phone: 404-894-2575
  - Location: Smithgall Student Services Building 2nd floor
  - Services include short-term individual counseling, group counseling, couples counseling, testing and assessment, referral services, and crisis intervention. Their website also includes links to state and national resources.
  - Students in crisis may walk in during business hours (8am-5pm, Monday through Friday) or contact the counselor on call after hours at 404-894-2204.
- Students' Temporary Assistance and Resources (STAR):
  - URL: <http://studentlife.gatech.edu/content/need-help>
  - Can assist with interview, clothing, food, and housing needs
- Stamps Health Services:
  - URL: <https://health.gatech.edu>
  - Phone: 404-894-1420

- Primary care, pharmacy, women’s health, psychiatry, immunization and allergy, health promotion, and nutrition
- OMED: Educational Services:
  - URL: <http://www.omed.gatech.edu>
- Women’s Resource Center:
  - URL: <http://www.womenscenter.gatech.edu>
  - Phone: 404-385-0230
- LGBTQIA Resource Center:
  - URL: <http://lgbtqia.gatech.edu/>
  - Phone: 404-385-2679
- Veteran’s Resource Center::
  - URL: <http://veterans.gatech.edu/>
  - Phone: 404-385-2067
- Georgia Tech Police: 404-894-2500

**National Resources:**

- The National Suicide Prevention Lifeline
  - Provides free and confidential support 24/7 to those in suicidal or emotional distress
  - Phone: 1-800-273-8255
- The Trevor Project
  - Provides crisis intervention and suicide prevention support to members of the LGBTQ+ community and their friends.
  - Phone: 1-866-488-7386; available 24/7
  - Chat: <http://www.thetrevorproject.org>; 3-10pm Eastern, 7 days a week
  - Text: Text “Trevor” to 1-202-304-1200; available 3-10pm, M-F.

**Statement of Intent for Classroom Inclusivity**

As a member of the Georgia Tech community, I am committed to creating a learning environment in which all of my students feel safe and included. Because we are individuals with varying needs, I am reliant on your feedback to achieve this goal. To that end, I invite you to enter into dialogue with me about the things I can stop, start, and continue doing to make my classroom an environment in which every student feels valued and can engage actively in our learning community.