

Georgia Institute of Technology
Scheller College of Business
Investments (MGT 3076)
Fall 2020

Instructor: Daniel Weagley

Office: Management 412

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Class Time: Tuesday and Thursday 2:00PM - 3:15PM

Office Hours: By appointment

TAs: Annie Pu (hsuanp@gatech.edu) and Summer Xia (tian.xia@gatech.edu)

TA Office Hours: Typically, Tuesday 2:30pm to 3:15pm (use BlueJeans link on Canvas calendar) and by appointment

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

Course Layout:

The course is taught *remotely*. Lectures will be in the form of short, asynchronous videos. We will use the allotted class time to work on applications of the material and group assignments. I will set up a BlueJeans meeting during class time to allow us to interact and work through problems/issues. We will utilize a number of online tools to engage with one another. I will be clear on whether a class meeting is mandatory or optional. I hope to obtain frequent feedback from students and modify the course in response to student feedback.

I will upload a checklist each week that will inform students of the material that will be covered and due dates for assignments. The Canvas calendar will also be updated with class meeting information and assignment due dates.

Resources:

Text: Bodie, Kane and Marcus (BKM), Essentials of Investments, 11th Edition.

Note: This course requires the textbook's Connect feature. Connect allows for online assessments and comes with an eBook. You can purchase a discounted hard copy of the textbook with the purchase of Connect. Sign up for Connect at: [Link](#).¹

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

¹<https://connect.mheducation.com/class/d-weagley-investments---mgt-3076---fall-2020>

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 (≥ 90), B (≥ 80), C (≥ 70), D (≥ 60), and F.

Grading:

Your course grade will be weighted as follows:

| Assignment | Due Date | % of Grade |
|---|-------------------------|------------|
| <i>Exams [55%]</i> | | |
| Exam 1 | Tuesday, September 22nd | 20% |
| Exam 2 | Thursday, October 29th | 20% |
| Exam 3 | Tuesday, December 1st | 15% |
| <i>Homework and Participation [45%]</i> | | |
| Connect Assignments | Thursday at 1:59 p.m. | 10% |
| Applications | - | 5% |
| Stock Pitch Video and Report | Tuesday, September 15th | 10% |
| Trading Simulation Initial Report | Thursday, October 15th | 5% |
| Trading Simulation Final Report | Tuesday, November 24th | 5% |
| Trading Simulation Presentation | Tuesday, November 24th | 5% |
| Participation | - | 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. Students will be allowed to see their exam during a coordinated meeting time with the professor or teaching assistant 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.

This course will use digital proctoring for exams. The following are required of students:

- Students must have a broadband internet connection
- Students must have a webcam and microphone
- Students must have a secure private location to take an exam
- Students will be asked to provide a picture ID and take a picture of themselves via a webcam as part of the exam process
- Honorlock is not compatible with Linux OS, Virtual Machines, tablets, or smartphones
- Honorlock requires the installation of Google Chrome and the Honorlock Chrome extension
- Honorlock technical requirements ([Link](#))

Assignments and Participation:

Connect 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 **Thursday at 1:59pm**. You will have 2 attempts to complete each weekly problem set. Some problems on the exams will be taken directly from assigned problems.

Applications: These assignments will be applications of the material that we work through together. These can be completed independently or during class time.

Participation: Participation will be based on course engagement. Students should ask and provide thoughtful questions and answers benefiting all students in online discussions and in discussing market news/events.

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 a video discussing your performance. **The top team in terms of Sharpe ratio (as of Tuesday, November 24th 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.

You will need to a computer with Microsoft Excel to complete most applications and projects.

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.

Recording Class Sessions:

Due to Covid-19 concerns and the increased use of distance learning, our class sessions may be audio visually recorded for use by enrolled students. Class recordings, lectures, and other classroom presentations presented through video conferencing and other materials posted on Canvas are for the sole purpose of educating the students enrolled in the course. Students may not record or share recordings, including screen capturing, unless the instructor states so or individual permission is obtained. Exams and tests may require students to engage the video camera, but those recordings will not be shared with or disclosed to others without consent unless legally permitted. Additional information may be found [here](#).

- For classes where participation is voluntary, students who participate with their camera engaged or utilize a profile image are agreeing to have their video or image recorded.
- For classes requiring class participation, if students are identifiable by their names, facial images, voices, and/ or comments, written consent must be obtained before sharing the recording with persons outside of students in the class.

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 | |
| 5 | Trading Securities | Stock Pitch Video Due Tuesday, September 15th |
| 6 | Exam 1 Risk, Return and Portfolio Math | Exam 1 (Tuesday, September 22nd) |
| 7 | Efficient Diversification | |
| 8 | Efficient Diversification Continued | |
| 9 | Single-Index Model & CAPM | Initial Trading Simulation Report Due (Thursday, October 15th) |
| 10 | Multi-factor Models | |
| 11 | Exam 2 | Exam 2 (Thursday, October 29th) |
| 12 | The Efficient Market Hypothesis Behavioral Finance | |
| 13 | Fixed Income | |
| 14 | Fixed Income | |
| 15 | Presentations | Trading Simulation Report Due (Tuesday, November 24th) |
| 16 | Final | Tuesday, December 1st 2:40PM - 5:30 PM |

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?
- 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.