

**Georgia Institute of Technology**  
**Scheller College of Business**  
**Investments (MGT 6080)**  
**Fall 2018**

Instructor: Daniel Weagley

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Class Time: Thursday 6:00PM - 8:45PM, 221 Management

Office Hours: By appointment

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TA Office Hours: By appointment

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**Overview:**

This course provides an overview of financial markets and a sound foundation for the fundamental concepts in investments. The course will cover the concepts of risk and return, asset allocation, portfolio theory, theories of asset pricing and efficient markets, portfolio strategies and performance evaluation methods. The course is quantitative and relies heavily on analytical and computational (Excel) tools.

**Prerequisites:**

MGT 6060 or MGT 6504

**Resources:**

*Text (optional, but helpful):* Bodie, Kane and Marcus (BKM), Investments, 10th Edition.

*Course Materials:* Lecture notes, homework, sample exams and additional readings will be uploaded to T-Square. Students will be responsible for purchasing cases from Harvard Business Publishing (Link)<sup>1</sup>.

**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 ( $\geq 60$ ), and F.

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<sup>1</sup><https://hbsp.harvard.edu/import/558261>

Your course grade will be weighted as follows:

| <b>Assignment</b>                                   | <b>Due Date</b>          | <b>% of Grade</b> |
|-----------------------------------------------------|--------------------------|-------------------|
| <i>Exams [50%]</i>                                  |                          |                   |
| Exam 1                                              | Thursday, October 4th    | 20%               |
| Exam 2                                              | Thursday, November 15th  | 30%               |
| <i>Homework [35%]</i>                               |                          |                   |
| Individual Homework                                 | Wednesday at 11:55 p.m.  | 10%               |
| Stock Pitch Report                                  | Thursday, September 27th | 5%                |
| Stock Pitch Video                                   | Thursday, September 27th | 5%                |
| Trading Simulation Presentation                     | Thursday, December 13th  | 5%                |
| Trading Simulation Notes                            | -                        | 2%                |
| Trading Simulation Report                           | Thursday, December 13th  | 8%                |
| <i>In Class Assignments and Participation [15%]</i> |                          |                   |
| In Class Assignments                                | -                        | 10%               |
| In Class Participation                              | -                        | 5%                |

### **Exams:**

There will be two exams. There will not be a final exam. You must have prior permission to make up an 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 Assessments:* Short assessments will accompany the online lecture videos. These assessments will be due **Wednesday at 11:55 p.m.** I will drop your 2 lowest scores.

### **Team Projects:**

*Teams:* Students will form teams of two to three members. Teams will complete the equity investment pitch and the trading simulation together. Team members will be asked to rate the effort given by each group member on each assignment.

*Stock Pitch:* Team members will work together to evaluate the equity of a company and its peer firms using techniques used in class. Team members will create 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. Additional details will be provided in class.

*Trading Simulation:* Team members will work together to create and implement an investment strategy. The trading simulation will be worth 15% of your course grade. We will

start trading after the first exam. There are three main requirements. The first requirement is to submit trade notes with each trade (2%), the second requirement is a final report (8%) and the third requirement is a presentation reviewing your performance (5%). The final report is due Thursday, December 13th at the beginning of class. **The top group in terms of Sharpe ratio (as of Thursday, December 6th at the start of class) will receive 1% extra credit towards their overall class grade.**

### **Online Lectures:**

Online lectures will be uploaded before class with a link on t-square. Students will be responsible for watching the online lectures and completing the accompanying assessments.

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

Classes will consist of review of the online lecture, supplemental lecture and application of the ideas. The majority of class time will be spent applying the ideas through cases, simulations or other projects.

The in-class assignments and participation grade is worth 15% of your overall grade. The participation grade will be broken down into two parts:

*In-Class Assignments/Deliverables (10%):* A majority of class time will be spent on in-class assignments. If you miss a class, you must submit the in class assignment by the start of the next class to receive full credit.

*In-Class Participation (5%)* In-class participation will be based on 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 | In-Class                                          | Assignments and Exams                            |
|------|---------------------------------------------------|--------------------------------------------------|
| 1    | Introduction to Investments<br>Review of MGT 6054 |                                                  |
| 2    | Financial Statement Analysis                      |                                                  |
| 3    | Equity Valuation                                  |                                                  |
| 4    | No Class - Online Work                            |                                                  |
| 5    | Equity Valuation                                  |                                                  |
| 6    | How to Trade Securities                           | Stock Pitch Assignment Due (September 27th)      |
| 7    | Exam I                                            | Exam I (October 4th)                             |
| 8    | Portfolio Optimization                            |                                                  |
| 9    | Portfolio Optimization                            |                                                  |
| 10   | CAPM and Multi-factor Models                      |                                                  |
| 11   | Arbitrage Trading Strategies                      |                                                  |
| 12   | Performance Evaluation                            |                                                  |
| 13   | Exam II                                           | Exam II (November 15th)                          |
| 14   | Thanksgiving                                      |                                                  |
| 15   | TBD                                               |                                                  |
| 16   | TBD                                               |                                                  |
| 17   | Trading Simulation Presentation                   | Trading Simulation Report Due<br>(December 13th) |

### 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.symplcity.com/care\\_report/index.php/pid383662?](https://gatech-advocate.symplcity.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.