San José State University  
School: College of Business  
Department: Accounting & Finance  
Course Number: BUS1 172D  
Title: Student Managed Fund  
Section: 01  
Semester: Fall  
Year: 2017

Instructor: Stoyu I. Ivanov
Office Location: BT 957
Telephone: 924-3934
Email: Stoyu.Ivanov@sjsu.edu
Office Hours: TTh 12:00-13:00, and by appointment
Class Days/Time: TTh 13:30 – 14:45
Classroom: BBC 303
Prerequisites: BUS 21 or BUS 122A, ECON 1A, ECON 1B, BUS 90, BUS 170 (with minimum grade of “C” in each) (prerequisites are strictly enforced!). It is your responsibility to check if you meet the prerequisites for the course. Note: The College may drop you from the course if you fail to meet the requirements for this course.

Canvas
In this class I use Canvas to communicate with students. Be sure to check Canvas periodically for important announcements.

Course Description
**Course Learning Outcomes**

Upon successful completion of this course, students will be able to:

1) Design and review investment strategy for the Financial Navigator Student Managed Investment Fund.

2) Measure the Financial Navigator Student Managed Investment Fund performance.

3) Evaluate firms for inclusion in the Financial Navigator Student Managed Investment Fund.

4) Communicate orally and in writing the ‘buy-hold-sell’ recommendation of the evaluated firm to the Financial Navigator Student Managed Investment Fund’s board.

**Required Texts/Readings**

**Textbook**
Bruce, Brian and Jason Greene, *Trading and Money Management in a Student-Managed Portfolio*, ISBN: 978-0-12-374755-6

**Powerpoint Slides**
You will find PowerPoint slides to be helpful, but they don’t substitute for the lectures, reading the book, or doing the problems. They are helpful in helping you to organize the material.

**Classroom Protocol**

**PROBLEM IDENTIFICATION AND OFFICE HOURS:**

If you are having serious problems with the class material please see me before it is too late to do anything about it. It is important that we identify the problem early on! I am available at other times besides the regular office hours listed above. Please make an appointment.

**ATTENDANCE:**

You are responsible for all material presented in lecture. Some of the material that is presented in class is not in the textbook. Many homework assignments and other important announcements are made in class. We randomly have participation points in class. It is important that you use class time wisely. **It is foolish to waste your time in class and have to make it up later. Remember that coming to class late or leaving early distracts other students, you should do so only in an emergency.**

**GRADING PHILOSOPHY:**

Ideally students would not need grades to motivate them. Unfortunately, most of us often need some short-run objective to ensure performance. Grades, in a technical discipline such as finance signal your level of competence to future employers and instructors. If you were to graduate from our college without a basic grasp of some of the concepts in this class it would be a serious indictment of the education you received. **Instructors in more advanced courses expect students that pass this course to be able to demonstrate mastery of the material presented in this class.**
Dropping and Adding
Students are responsible for understanding the policies and procedures about add/drops, academic renewal, etc. Information on add/drops are available at http://www.sjsu.edu/advising/faq/index.htm#add
Information about late drop is available at http://www.sjsu.edu/aars/policies/latedrops/. Students should be aware of the current deadlines and penalties for adding and dropping classes.

Assignments and Grading Policy

EXAMS (LCOB 1, 5):
There is one exam and a final (total of two exams). Examination dates are listed in the Tentative Schedule below and will be announced in class. The exams are based on the material presented in class or assigned in the text. The exams mostly consist of problems and multiple-choice questions. There are no make-ups for unexcused absences. You must have proof of a valid excuse, and make-up by last lecture.

MAKE-UP EXAMS:
Students must take exams and quizzes at the scheduled times. The exam schedule will not be changed to meet individual needs. Please, be sure you have no conflict with the exam schedule.

QUIZZES (LCOB 1, 5):
Quizzes will be based on lectures and homework problems. There are four quizzes and each quiz is worth 50 points. There are no make-ups for unexcused absences. You must have proof of a valid excuse.

BLOOMBERG CERTIFICATE (LCOB 6):
You are expected to acquire Bloomberg Certificates and the Certificate is worth 100 points. Provide proof by the end of last lecture of the semester. For information please see the end of the Syllabus.

INDUSTRY UPDATES / GROUP PROJECTS (LCOB 2, 4, 6):
There are four Industry Updates / group projects and each project is worth 50 points. Each project must be turned in by the due dates in the tentative schedule below in the very beginning of class in print (hard copy). Please see a sample industry update at the end of the Syllabus.

Make sure that you provide appropriate references when quoting. If you just copy and paste from an existing article without quoting you will get a failing grade and will be referred to the University Judicial Affairs.

PITCHES (LCOB 2, 4, 6):
There are pitches of firms to be included in the Fund Portfolio or Updates. Please, see the end of the Syllabus for the Standard Form to be used for the Pitches.

POINTS:
Exam 1  200 points
Final  200

Fall 2017
There might be more than a thousand points available. Your final grade, however, will be based on 1000 points.

**BONUS POINTS:**

(1) In order to encourage participation in club activities related to Finance, Investments and Financial Services, students who can prove their attendance/participation during the semester to at least 5 events organized by the Banking and Investment Association (BIA) will receive 10 BONUS points that will be added to their grade (company visits DO count toward the five events but social events DO NOT count toward bonus points). In order to verify the attendance/participation to the BIA’s events, a sign-up sheet will be provided at the beginning of such events. If a student cannot prove his/her participation in at least 5 events for the BIA, NO bonus points will be awarded. If a student attends less than 5 events NO bonus points will be granted. Of course, in order to attend the meetings each student must become a BIA member and pay the membership fees.

**GRADE APPEALS:**

All grade appeals must be in writing and submitted by the next class meeting. No late appeals will be considered.

**STUDENTS WITH DISABILITIES:**

“If you need course adaptations or accommodations because of a disability, or if you need special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential directive 97-03 requires that students with disabilities requesting accommodations must register with DRC to establish a record of their disability.”

**GRADING POLICY:**

<table>
<thead>
<tr>
<th>Points</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>980+</td>
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<tr>
<td>979 - 920</td>
<td>A</td>
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<tr>
<td>919 - 890</td>
<td>A-</td>
</tr>
<tr>
<td>889 - 860</td>
<td>B+</td>
</tr>
<tr>
<td>859 - 820</td>
<td>B</td>
</tr>
<tr>
<td>819 - 790</td>
<td>B-</td>
</tr>
<tr>
<td>789 - 760</td>
<td>C+</td>
</tr>
<tr>
<td>759 - 690</td>
<td>C</td>
</tr>
<tr>
<td>689 - 670</td>
<td>C-</td>
</tr>
<tr>
<td>669 - 640</td>
<td>D+</td>
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<tr>
<td>639 - 620</td>
<td>D</td>
</tr>
<tr>
<td>619 - 600</td>
<td>D-</td>
</tr>
</tbody>
</table>
University Policies

Academic integrity

Students should know the University’s Academic Integrity Policy that is available at http://www.sa.sjsu.edu/download/judicial_affairs/Academic_Integrity_Policy_S07-2.pdf. Your own commitment to learning, as evidenced by your enrollment at San Jose State University and the University’s integrity policy, require you to be honest in all your academic coursework. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The website for Student Conduct and Ethical Development is available at http://www.sa.sjsu.edu/judicial_affairs/index.html.

Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person’s ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include in your assignment any material you have submitted, or plan to submit for another class, please note that SJSU’s Academic Policy F06-1 requires approval of instructors.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 requires that students with disabilities requesting accommodations must register with the DRC (Disability Resource Center) to establish a record of their disability.

Student Technology Resources (Optional)

Computer labs for student use are available in the Academic Success Center located on the 1st floor of Clark Hall and on the 2nd floor of the Student Union. Additional computer labs may be available in your department/college. Computers are also available in the Martin Luther King Library.

A wide variety of audio-visual equipment is available for student checkout from Media Services located in IRC 112. These items include digital and VHS camcorders, VHS and Beta video players, 16 mm, slide, overhead, DVD, CD, and audiotape players, sound systems, wireless microphones, projection screens and monitors.

Learning Assistance Resource Center (Optional)

The Learning Assistance Resource Center (LARC) is located in Room 600 in the Student Services Center. It is designed to assist students in the development of their full academic potential and to motivate them to become self-directed learners. The center provides support services, such as skills assessment, individual or group tutorials, subject advising, learning assistance, summer academic preparation and basic skills development. The LARC website
is located at
http://www.sjsu.edu/larc/

SJSU Writing Center (Optional)

The SJSU Writing Center is located in Clark Hall, Suite 126. All Writing Specialists have gone through a rigorous hiring process, and they are well trained to assist all students at all levels within all disciplines to become better writers. In addition to one-on-one tutoring services, the Writing Center also offers workshops every semester on a variety of writing topics. To make an appointment or to refer to the numerous online resources offered through the Writing Center, visit the Writing Center website at http://www.sjsu.edu/writingcenter. For additional resources and updated information, follow the Writing Center on Twitter and become a fan of the SJSU Writing Center on Facebook. (Note: You need to have a QR Reader to scan this code.)

SJSU Counseling and Psychological Services (Optional)

The SJSU Counseling and Psychological Services is located on the corner of 7th Street and San Carlos in the new Student Wellness Center, Room 300B. Professional psychologists, social workers, and counselors are available to provide confidential consultations on issues of student mental health, campus climate or psychological and academic issues on an individual, couple, or group basis. To schedule an appointment or learn more information, visit Counseling and Psychological Services website at http://www.sjsu.edu/counseling.

Peer Mentor Center (Optional)

The Peer Mentor Center is located on the 1st floor of Clark Hall in the Academic Success Center. The Peer Mentor Center is staffed with Peer Mentors who excel in helping students manage university life, tackling problems that range from academic challenges to interpersonal struggles. On the road to graduation, Peer Mentors are navigators, offering “roadside assistance” to peers who feel a bit lost or simply need help mapping out the locations of campus resources. Peer Mentor services are free and available on a drop-in basis, no reservation required.

LCoB Mission Statement

We are the institution of opportunity in Silicon Valley, educating future leaders through experiential learning and character development in a global business
community and by conducting research that contributes to business theory, practice
and education.

LCoB Program Learning Goals:
(Not all program learning goals are covered in every course)

1. Business Knowledge
   - Understand basic business principles and demonstrate discipline-specific
     competencies as applied to local and global environments.

2. Communication
   - Communicate ideas clearly, logically, and persuasively in oral and written
     format, using technology appropriately.

3. Ethical Awareness
   - Recognize, analyze, and articulate solutions to ethical issues that arise in
     business.

4. Leadership, Teams and Diversity
   - Comprehend the challenges and opportunities of leading and working in diverse
     teams and environments.

5. Critical Thinking
   - Comprehend, analyze, and critically evaluate complex and unstructured
     qualitative and quantitative business problems, using appropriate tools and
     technology.

6. Innovation
   - Recognize, analyze, and articulate strategies for promoting creativity and
     innovation.

College of Business Policies:

To ensure that every student, current and future, who takes courses in the Boccardo Business
Center has the opportunity to experience an environment that is safe, attractive, and
otherwise conducive to learning, the College of Business at San José State has established
the following policies:

Eating:
Eating and drinking (except water) are prohibited in the Boccardo Business Center. Students
with food will be asked to leave the building. Students who disrupt the course by eating and
do not leave the building will be referred to the Judicial Affairs Officer of the University.

Cell Phones:
Students will turn their cell phones off or put them on vibrate mode while in class. They will
not answer their phones in class. Students whose phones disrupt the course and do not stop
when requested by the instructor will be referred to the Judicial Affairs Officer of the
University.

Computer Use:
In the classroom, faculty allow students to use computers only for class-related activities.
These include activities such as taking notes on the lecture underway, following the lecture on Web-based PowerPoint slides that the instructor has posted, and finding Web sites to which the instructor directs students at the time of the lecture. Students who use their computers for other activities or who abuse the equipment in any way, at a minimum, will be asked to leave the class and will lose participation points for the day, and, at a maximum, will be referred to the Judicial Affairs Officer of the University for disrupting the course. (Such referral can lead to suspension from the University.) Students are urged to report to their instructors computer use that they regard as inappropriate (i.e., used for activities that are not class related).

**Academic Honesty**:
Faculty will make every reasonable effort to foster honest academic conduct in their courses. They will secure examinations and their answers so that students cannot have prior access to them and proctor examinations to prevent students from copying or exchanging information. They will be on the alert for plagiarism. Faculty will provide additional information, ideally on the green sheet, about other unacceptable procedures in class work and examinations. Students who are caught cheating will be reported to the Judicial Affairs Officer of the University, as prescribed by Academic Senate Policy S04-12.
## Course Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Reading Assignment</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/24/2017</td>
<td>Chapter 1</td>
<td></td>
</tr>
<tr>
<td>08/29/2017</td>
<td>Chapter 1</td>
<td></td>
</tr>
<tr>
<td>08/31/2017</td>
<td>Chapter 1</td>
<td></td>
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<tr>
<td>09/05/2017</td>
<td><strong>Pitch 30</strong></td>
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<td>09/07/2017</td>
<td><strong>Pitch 31</strong></td>
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<tr>
<td>09/12/2017</td>
<td>Chapter 2</td>
<td>Quiz 1</td>
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<td>Chapter 2</td>
<td>Industry Update 1</td>
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<td><strong>Pitch 32</strong></td>
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<td>09/21/2017</td>
<td><strong>Pitch 33</strong></td>
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<tr>
<td>09/26/2017</td>
<td>Chapter 3</td>
<td>Quiz 2</td>
</tr>
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<td>09/28/2017</td>
<td>Chapter 3</td>
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<td>10/03/2017</td>
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<td>EXAM 1</td>
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<td>10/10/2017</td>
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<td>Quiz 3</td>
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<td>11/02/2017</td>
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<td>11/07/2017</td>
<td>Chapter 5</td>
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<td>Industry Update 3</td>
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<td>11/16/2017</td>
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<td>11/21/2017</td>
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<td><strong>11/23/2017</strong></td>
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<td>11/28/2017</td>
<td>Chapter 7</td>
<td>Industry Update 4</td>
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<td>12/07/2017</td>
<td><strong>Pitch 37</strong></td>
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<tr>
<td><strong>Final</strong></td>
<td><strong>Tuesday, December 19</strong></td>
<td><strong>1215-1430</strong></td>
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</table>

Note, modifications may be made to the schedule.
Bloomberg Certificate Information

(1) The Lucas College and Graduate School of Business is currently subscribing to 12 Bloomberg Terminals. The Bloomberg Terminal is a computer system provided by Bloomberg L.P. that enables professionals in finance and other industries to access the Bloomberg Professional service through which users can monitor and analyze real-time financial market data. The system also provides news, price quotes, and messaging across its proprietary secure network. Most large financial firms have subscriptions to the Bloomberg Professional service. Two Bloomberg Terminals are located in BBC 008 and available to all students. These two Terminals are located at the front of the room. The remaining Terminals are located in a dedicated room (BBC 303). The Terminals in the room are available to students on the days and times posted by the Bloomberg Lab Student Assistants.

BMC is an 8 hour self-paced e-learning course that provides a visual introduction to the financial markets. BMC consists of 4 modules – Economic Indicators, Currencies, Fixed Income and Equities – woven together from Bloomberg data, news, analytics and television. More information on the course modules and learning outcomes is available at BMC <GO> on the terminal. The full professor syllabus is available by typing BPS <GO> into the terminal, clicking on “Audience Specific” then “Education” then “Bloomberg Market Concepts”. Students have been particularly excited about the resume/CV-boosting certificate of completion and the signaling value that stems from adding BMC to the Certificates section of their LinkedIn profile. Additionally, BMC has built-in reporting functionality so that you can easily track how students performed on the 120 knowledge checks and case studies that are incorporated into the course. Ask us for more details about this free professor report feature.

After August 31st 2016, when a student types BESS <GO> into the Terminal, they will be automatically forwarded to BMC <GO>.

Each student submitting a proof of his/her Bloomberg Certificate, **BY THE END OF LAST LECTURE**, will receive the points that will be added to their grade.
Energy Industry Outlook

Energy stocks have declined towards a bearish trend since crude oil and natural gas hit a 5-year low of $80 a barrel. With this bearish trend many companies are becoming undervalued and cheap which creates a buying opportunity for investors to enter the market. As of lately, with crude oil still slipping into an upward-sloping curve this summer and West Texas Intermediate, the big U.S. oil benchmark, joining it this month. With Analysts beginning to make weekly storage inventory projections (U.S. Energy Information Administration) later this week, many are predicting another strong rise in supplies thanks to mild weather last week that drove little demand.

In the winter months, however, as cold temperature rises, supplies for home and office heating will generate more electricity generation which can expose greater demand. As Oil & Natural Gas refiners start cutting production rates to smooth the supply curve, the slightly less storage for a possible hike in demand will increase the likelihood of a price strike in prices. For this reason, the decision to HOLD onto ConocoPhillips and Valero Energy is apparent for a future increase in energy industry stock prices.

Energy Industry Portfolio

<table>
<thead>
<tr>
<th>Company</th>
<th>Ticker Symbol</th>
<th>Price</th>
<th>Profit/Loss Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valero Energy Corporation</td>
<td>VLO</td>
<td>$51.35</td>
<td>+10.74%</td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td>COP</td>
<td>$71.56</td>
<td>+11.48%</td>
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</tbody>
</table>

as of 11/12/2014
FINANCIAL NAVIGATOR STUDENT MANAGED INVESTMENT FUND
FORM S-1

ANALYST(S): John Smith, Jane Doe COMPANY NAME: Union Pacific Corporation
DATE: 02/19/2015 TICKER: UNP
MARKET PRICE: $123.35 RECOMMENDATION: HOLD
TARGET PRICE: $103.56 (-16%) DCF Price: X

VALUATION(S): Comparable (100%) (18.01*5.75=$103.56)
THESIS:
1) Growth Drivers (Company) - xxxxx
2) Catalysts (Sensitivity and Event Study) - xxxx
3) Industry Specific Growth Drivers- xxxxx

COMPANY DESCRIPTION:
Union Pacific is a rail transportation company. They haul a variety of goods including agricultural, automotive, and chemical products. Offers long-haul routes from all major West Coast and Gulf Coast ports to the Eastern gateways.

INDUSTRY: Rail Freight
COMPETITOR(S): xxxxxxxxxx
MARKET CAP: 280.72B

CREDIT RATING: A P/E: 21.64
INDUSTRY P/E: 19.25
COMPETITOR P/E: 18.01 PEG Ratio: x

EPS: $5.75 LAST DIVIDEND: $0.55
DIVIDEND YIELD: 1.55%

BETA: 1.09

DUPONT ANALYSIS

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<thead>
<tr>
<th>ROE</th>
<th>PROFIT MARGIN</th>
<th>ASSET TURNOVER</th>
<th>LEVERAGE</th>
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<tr>
<td>NI/EQUITY</td>
<td>NI/REVENUE</td>
<td>REVENUE/ASSETS</td>
<td>ASSETS/EQUITY</td>
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<td>CSX</td>
<td>IND. AVG.</td>
<td>UNP</td>
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<td>33%</td>
<td>36%</td>
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<td>FY13</td>
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</tr>
<tr>
<td>FY12</td>
<td>34%</td>
<td>39%</td>
<td>39%</td>
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BOARD MEMBER VOTE AND ORDER TICKET

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<tr>
<th>BUY</th>
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<th>SELL</th>
<th>PRICE</th>
<th>QTY</th>
<th>NAME</th>
<th>SIGNATURE</th>
<th>DATE</th>
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Fall 2017