



FIN 424: Investment – Stock Market Trading Experience Spring Semester, 2018

Course Details

Course Title	Investment – Stock Trading Experience
Course Code	FIN424
Credit Hours	3
Pre-requisites	FIN305, Math121C

Class Type	Days	Time	Room
Lecture/Lab	Monday & Wednesday	1:00 – 2:30PM	TBD

Instructor

Instructor	Dr. Myung Lee
Room	208
Consultation Hours	Mon & Wed: 2:30- 3:30 pm
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Mission Map

Mission Based Goals		Approximate % of Course Content	Approximate % of Assessment
Global Perspective		30%	30%
Asian Expertise		20%	20%
Creative Management Mind		20%	20%
Cross Cultural Competence		10%	10%
Social Responsibility		20%	20%
Total		100%	100%

SolBridge Mission & Course Objectives

The prime goal of the course is to deliver the promise of SolBridge. SolBridge has the mission of educating the next generation of Asian Thought leaders. The school aims to instill in our graduates a Global Perspective, Asian Expertise, a solid foundation in Management Knowledge,

Cross Cultural Competence and a sense of social responsibility. This course aims to partially fulfill the following elements of Solbridge Mission: Global Perspective, Asian Expertise, Creative Management Mind and Social Responsibility.

This course is about how to apply investment and portfolio theory to primarily equity market trading that are essential to analysis of investment portfolio. This course can be carried out efficiently by exploring risk-free live market trading. To this end, students will be equipped on how to build critical analysis and trading strategy through by using Stock-Track simulator platform.

This course will introduce student to Stock Track platform and they will build investment analytical skills for fundamental, technical and industry analysis, as well as to selection of appropriate investment vehicles, which are essential to making sound investment decision based on publically available information. Student will be trained on how to develop reasoning and critical thinking skills through paper trading, an extensive in-class discussion, and trading competition.

Tables 1 and 2 below outline the core knowledge and skills (course contents) that can be acquired by students by the end of this course. Knowledge refers to an Understanding of Subject Matter, and Skills refer to application of the knowledge.

Table 1: Course Content - Core Knowledge & Skills

Knowledge	Skills
<p>1. How to analyze equity market</p> <ul style="list-style-type: none"> • Basics of stock market analysis • Stock valuation models • Financial statement and inter-industry analysis • Global market view 	<p><i>Analytical Tools</i></p> <ul style="list-style-type: none"> • Fundamental analysis – indicators and company • Financial institutions • Introduction to Stock-track • Latest trends in global financial markets (wall street journal, Bloomberg, ...)
<p>2. How to analyze bond market</p> <ul style="list-style-type: none"> • Basics of Fixed-income securities • How to analyze Bond valuation • Difference between stock and bond market 	<p><i>Quantitative Skills</i></p> <ul style="list-style-type: none"> • Risk and return of bond and its portfolio • Skills for understanding yields, duration • Stock and bond selection as to market trends
<p>3. How to construct investment portfolio</p> <ul style="list-style-type: none"> • Theory of Portfolio optimization • Return-risk analysis • Investment products: Options, Mutual funds, ETF, and Futures 	<p><i>Knowledge on portfolio management</i></p> <ul style="list-style-type: none"> • Investment sentiment and market environment • Analysis of market history • To track portfolio performance
<p>4. How to analyze market and trading strategy</p> <ul style="list-style-type: none"> • Portfolio monitoring and maintenance • How to capture trading opportunities • How to make effective trades – entering and exit market 	<p><i>Learning trading systems and market behavior</i></p> <ul style="list-style-type: none"> • Exchange rules and how to read market news • To practice developing trading systems by using technical system • Outlook for market prospects (BMC)

Teaching Methodology

The Course will be taught as a mixture of lectures, in-class trading and class competition. Through team project on developing trading strategy, they will be learned about actual market trading, which will be based on practical no-cost market trading through simulator version of Stock-Track platform. The emphasis is on acquiring knowledge on investment as well as for gaining a rich trading experience through paper trading. Therefore, a high level of student involvement and participation is necessary.

Ethics

Plagiarism

SolBridge considers plagiarism as a serious breach of professional ethics. Plagiarism will not be tolerated in any form at SolBridge. Penalties can be as severe as expulsion from the university. To avoid plagiarism it always best to do your own work or cite the work of others appropriate. Refer to your student handbook for a more detailed description of plagiarism and the associated penalties.

In this class, the rules are:

1. The first instance of plagiarism will result in a “zero” for the assignment in question, and a report will be filed with disciplinary officer.
2. The second instance of plagiarism will result in a fail grade for the entire course, and a report will be filed with disciplinary officer.
3. The third instance will result in institutional-level disciplinary action which could include expulsion from the school.
4. The instructor will report each instance of plagiarism, academic dishonesty and violation of school disciplinary rules to the disciplinary officer.

Copying Textbooks, copyrighted materials and academic dishonesty

Copying Textbooks and other copyrighted materials without permission of publisher or author is tantamount to theft. Therefore, students are expected to purchase the prescribed books and other materials from the Woosong Bookstore.

- Students using copied versions of books without permission will be asked to leave the classroom.
- In addition, such students will get “zero” participation points and any other penalties as levied by the instructor.

Academic Dishonesty includes but not limited to: (a) cheating during examinations, (b) obtaining/ providing information for reports, assignments and examinations by fraudulent means, and (c) false representation of others’ effort as one’s own.

Some examples of academic dishonesty are: copying from other students during examinations; copying material from other students’ reports/ assignments and submitting the same as one’s own report; creating fictitious interview materials for assignments or reports.

Sample Textbooks

The following are only a sampling of textbooks that are available in international editions and also meet the minimum requirements of course content. Supplemental materials may be used along with a textbook.

1. "**Fundamentals of Investing**", 13th ed., Scott Smart, Lawrence Gitman, Michael Joehnk, Pearson Higher Education, ISBN13:978-0133075403
2. "**Stocks for the Long Run: the Definitive Guide to Financial Market Returns and Long-Term Investment Strategies**", 5th edition; Jeremy J. Siegel, McGraw-Hill ISBN: 007058043X
3. **Wall Street Journal**: <http://r.wsj.net/hVFsZ>
4. **Manual on Stock-Track and supporting materials**

Assessment Methods

Component	Weight
1. Class Attendance/Participation	20%
2. Homework Exercise Assignment	20%
3. Exam + Interim Oral Presentations	20%
4. Final Presentation	40%
Total	100%

Class Attendance (20%)

Class attendance bears 20%. Now is the time to carefully note the points lost for each absence and its potential impact on your final grade. Effective participation requires three things on behalf of the student:

Attendance – You cannot participate in class if you do not attend. Non-attendance affects not only your own learning experience but also that of your peers. As such, 100% attendance is expected and required. In the event of an unavoidable absence, e.g. through serious illness, students should provide documentary evidence of the reason for their absence to their academic coordinator. Students are solely responsible for the make-up of any missed classes and for obtaining any class materials or assignments which they may miss. The instructor may fail any students on the grounds of unacceptable attendance.

Effective Listening – Effective listening is an important managerial skill and students will be expected to demonstrate this ability during the class. When the instructor or another student is speaking students should act in a considered and respectful manner, taking on board the point that has been made before contributing further. Disruptive or disrespectful behavior will not be tolerated in the class.

Thoughtful Contribution – Students can also demonstrate effective participation through constructive commentary or relevant questioning of the material. A food-quality comment is one which is relevant to the material being discussed and which adds to the learning of those in the class. Equally, do not be afraid to ask questions to clarify material. Students should however be wary of making irrelevant comments or simply participating for the sake of participating. In appropriate contributions may negatively impact your final grade.

Homework Policy – Homework will be assigned as needed. You should work alone or with your study group and submit fully worked solutions. Homework is due on the beginning of next week class.

Course Schedule

Week	Topics for class lecture, discussions, class trading	Remarks/Submissions
Part I: Introduction		
Week I –	<ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> -Portfolio management constraints -Selecting your team (Practice period (Week 1 – Week 2)) -Students’ portfolio structuring period • Introduction to Stock-Track platform: <ul style="list-style-type: none"> •How To Trade Stocks Videos on Stock Trak: http://stocktrak.com/research/videocenter • FAQ: http://content.stocktrak.com/student-faq-technical-support/ •Students Registration: http://www.stocktrak.com:80/members/registerstudent?className=SolBridge-Fin-Spring2017 • Investment Environment & Information 	Reading: chap 1 watch: video Stock-Track
Week II –	<ul style="list-style-type: none"> • 2. Securities Markets & Transactions • Portfolio Planning: selection of stocks and trading goals: • 3. Investment Information - • FINRA; ZACKS; Yahoo! FINANCE; Market Watch; Valueline.com; Morningstar 	Reading : Chap 2 – 3 Watch: video CFA
Kick-Off Virtual Stock Market Competition		

Week	Topics for class lecture, discussions, class trading	Remarks/Submissions
Week III –	<ul style="list-style-type: none"> • 4. Risk & Return • Beginning of Stock-Track Competition • Introduction to resources available on the Stock Track for Equity analysis: <ul style="list-style-type: none"> - Chaikin Power Gauge: http://content.stocktrak.com/analytics-in-stocktrak/trade-using-power-gauge/ -Money Flow: http://content.stocktrak.com/analytics-in-stocktrak/noticing-short-term-swings-using-money-flow-analytics-tools-see-buying-selling-trends/ -Stock Screener: http://content.stocktrak.com/analytics-in-stocktrak/using-stock-screener/ 	Initial Stock-Track Report Due Reading: Chap 4
Week IV –	<ul style="list-style-type: none"> • 5. Modern Portfolio Concepts -Tracking your portfolio: • Financial market news affect your portfolio 	Reading: chap 5
Week V –	<ul style="list-style-type: none"> • 4. Risk, Return, Valuation of Equity – corporate earnings, dividend growth, and others: <ul style="list-style-type: none"> - Extra: Risk and Risk Premiums 	Exam 1
Week VI –	<ul style="list-style-type: none"> • 6. Common Stocks 	Reading: chap 6
Stock Fluctuation		
Week VII –	<ul style="list-style-type: none"> • 7. Analyzing Common Stocks 	Reading: chap 7
Week VIII –	Oral Presentation of Interim Results	
Stock Fluctuation		
Week IX –	<ul style="list-style-type: none"> • 8. Stock Valuation 	Reading :chap 8
Week X –	<ul style="list-style-type: none"> • CAPM and MPT • In-class trading; discussion on your issues for trading • Your Investment Style 	
Stock Fluctuation		
Week XI –	<ul style="list-style-type: none"> • 10. Fixed-Income Securities 	Reading: Chap 10
Stock Fluctuation		

Week	Topics for class lecture, discussions, class trading	Remarks/Submissions
Week XII –	<ul style="list-style-type: none"> 11. Bond Evaluation 	Reading: Chap 11
Week XIII –	<ul style="list-style-type: none"> 12. Mutual Funds and Exchange-Traded Funds Extra: Market Efficiency (Chapter 9) 	Exam 2 Reading: chap 12
Week XIV –	<ul style="list-style-type: none"> 14. Options & Futures Markets Final Presentation - Submit Final report <ul style="list-style-type: none"> - Portfolio construction; - performance report; - your trading rules :Rationale for rules, trading rule - Trading simulation 	Reading: Chap 13 and 14 Presentation - Trading
Week XV	<ul style="list-style-type: none"> 15. Futures Markets & Securities Final Presentation continued Evaluation on reports and competition 	Reading: Chap 15 Presentation – Sol-Research Challenge

*These schedules may be subject to change

*Chapters mentioned in the course schedule are taken from the textbook of **“Fundamentals of Investing”, 13ed**

***Trading competition in class”**

*Project (team of 5) for Practice on **Research Challenge (mock CFA challenge)**

* <https://www.cfainstitute.org/learning/products/multimedia/Pages/63955.aspx>

***Field Trip:** KRX in Seoul; to be scheduled during May