

Finance
Course Number: 29:390:470
Course Title: Security Analysis

COURSE MATERIALS

Security Analysis, 6th Edition

With a Forward by Warren Buffett

Benjamin Graham, David Dodd

(Listed as G&D in the Course Schedule).

McGraw Hill: Publisher, 2008

ISBN: 978-0071592536

- Check Canvas (canvas.rutgers.edu) and your official Rutgers email account regularly.

LEARNING GOALS AND OBJECTIVES

Students will, by the end of the course, understand what Securities Analysis really is, looking beyond the suggested reading into the policies and procedures of the professional investment community. While doing this, and combined with the readings, the in-class lectures the project and the exam, students will develop professional judgement based on their knowledge of the various aspects of Securities Analysis. This knowledge set will flow into other courses, such as Investments and many professional environments, regional, national and global, post-graduation.

The topics covered will broadly include:

- Why and how investors define value for various markets and securities that trade within those markets.
- How do they balance the risk of investing with the rewards they gain?
- What are the environmental conditions that can assist or impede those decisions?

The book that we are using for supplemental reading (Security Analysis by Graham and Dodd) is a globally accepted source of information about securities analysis that is and has been used in all of the major trading markets around the globe. The writings of Graham & Dodd who were professors at Columbia University have influenced some of America's most successful and important professional investors, such as Warren Buffett.

I reserve the right to assign some additional work that will be graded. But those assignments will be minor, if ever assigned. Obviously, the exam in this course is important, but I believe that the stock research report is very important as well, if not the most important part of the course. (Please see the course schedule listed below).

PREREQUISITES

I am happy to have anyone take this course. However, those students with a prior knowledge of accounting, finance, economics and business writing will find that knowledge very helpful during the course of the semester.

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

SECURITIES ANALYSIS PROJECT

THIS IS NOT A TEAM PROJECT.

ALL WORK IS TO BE RESEARCHED AND COMPETED BY EACH STUDENT, WORKING ON THEIR OWN.

Starting the week of () (WEEK 2), you will follow the Global. Transportation Industry. In addition, you will select one of the following stocks to follow, and based on that stock, you will also analyze the sector of the transportation industry in which your selected company operates.

Eligible Stocks:

Uber
Lyft
General Motors
Ford
XPeng
Tesla
Volkswagen, AG
Daimler, AG

All of these companies trade on a United States stock market. You should chart the price movement of your selected stock and compare that price movement to the price movement of the S & P 500. This will allow you to make a comment about the volatility of the stock you selected and the sector in which it operates.

Your Project Assignment are:

1) Write a one page memo that declares which stock from the list of companies provided in the syllabus that you have chosen. In the same memo, write two to four paragraphs about why you selected the chosen stock.

THIS ASSIGNMENT IS DUE () BY ().

2) Write a final report of three (3) to five (5) pages. (Please note that longer is not better. Better is best). THIS REPORT IS DUE () BY ()

You will submit the report to me electronically through email. .

This report will address three factors: The industry, the company and its sector and, most important, a decision by you as to whether the stock you selected is under-valued over-valued or fairly valued. And does the future prospects for that company and its sector warrant selling the stock, holding the stock or buying more of it.

I have chosen the transportation industry because it is of global interest and it is going through great changes both in America and in most industrialized nations in the world. . I will speak about the project in the () class. That information will, hopefully, make the project easier for everyone.

FINAL EXAM

This exam will be given the FOURTEENTH WEEK OF THE COURSE. As per the course schedule listed below. Though I hope to be in China by the end of the course, it is realistic to think that this exam will be given on-line. The exam will be given in an assigned classroom and will be approximately two hours long. Because our class meetings are scheduled for one hour, I am currently planning to give the exam on line during week fourteen that begins on () .

GRADING POLICY

Course grades are determined as follows:

You will be given a letter grade for the Stock Selection Memo

You will be given a letter grade for the Stock Report at the end of the course.

You will be given a point score for Part 1 of the Final Exam.

You will be given a point score for Part 2 of the Final Exam.

WEIGHTINGS:

Memo: 10%

Final Report: 40%

Final Exam – Part 1: 20%

Final Exam – Part ii: 30%

All of those grades will be entered in to Canvas, which is the new LMS that Rutgers is using. (And if Canvas does not work in China, I will send each student an email with the four grade components).

Those grades will be averaged to create a final point score and grade that is entered in to the Registrar's records.

Your final grade will be calculated and entered subject to Rutgers University's normal grading policy.

I have designed the course with both a project and an exam.

I reserve the right to change my mind and insert some minor assignments, but as I said, I probably will not.:

- Security Analysis Project = 50%
 - Final Exam = 50%
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COURSE SCHEDULE

WEEK	TOPIC	READINGS	OTHER
ONE (1)	Go over the Syllabus Markets and Securities	(G&D) – Part I The Forward by Warren Buffett	
TWO (2)	More on Markets and Securities	(G&D) – Part I	STOCK SELECTION MEMO DUE.
THREE (3)	Bonds and other more stable markets	(G&D)- Part II	
FOUR (4)	More on Fixed Income Including Credit Risk	(G&D)- Part II	
FIVE (5)	More on Fixed Income Including Credit Risk The rating agencies and risk management	(G&D)- Part II	Ratings Hand- Out Posted on CANVAS
SIX (6)	Common Stocks	(G&D)- Part IV	
SEVEN (7)	Common Stocks	(G&D)- Part IV	
EIGHT (8)	Common Stocks and Hedging	(G&D)- Part IV	DISCUSS PROJECT
NINE (9)	More on hedging	(G&D)- Part III	
TEN (10)	(G&D)- Financial Analysis	Part III	FINAL PROJECT REPORT DUE
ELEVEN (11)	(G&D)- Accounting Reports for Valuation	(G&D)- Part VI And Part VII	
TWELVE (12)	(G&D)- Going Global Hand in Project Report	(G&D)- Part VIII	
THIRTEEN (13)	Discuss Exam	(G&D)- Part VIII	EXAM PREP
FOURTEEN (14)	FINAL EXAM	PART 1	
	FINAL EXAM	PART 2	
FIFTEEN (15)	COURSE WRAP UP DISCUSSION ONLY		

SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link:

https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of **legal** services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to **English as a second language (ESL)** should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional **academic assistance**, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]