COURSE DESCRIPTION

This course is meant to be an introduction to Quantitative Value Investing Techniques, in particular, back-testing a portfolio of stocks based on several fundamental ratios across different time periods. The data and analysis will be done using R and the financial package quantmod. Fundamental data going back 20 years will be provided.

COURSE MATERIALS

- Slides, Programs, Notes posted on Canvas
- Papers posted on Canvas

LEARNING GOALS AND OBJECTIVES

The goal of this class is to learn how to program and do data analysis in R and understand how to value publicly traded companies according to their fundamental values.

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.

ATTENDANCE AND PREPARATION POLICY

- Attendance is not required but is strongly recommended, but if you don’t have programming experience then it is mandatory.
CLASSROOM CONDUCT

Please respect your fellow classmates by not disrupting the lectures or talking while they are trying to ask questions.

EXAM DATES AND POLICIES

There are 3 exams in this course:

Midterm Exam 1: No calculator, 2-3 cheat sheets one-sided
Midterm Exam 2: No calculator, 2-3 cheat sheets one-sided, it is cumulative
Final Exam: TBD, it is cumulative, No calculator, 2-3 cheat sheets one-sided

During exams, the following rules apply:
- We will be using the respondus lock out browser
- If your camera doesn’t work, I will give you the exam one-on-one on webex
- You must show a valid Rutgers photo ID to enter the exam
- Use the bathroom prior to the exam start; any disruption of the exam will automatically submit the exam whether it is finished or not

GRADING POLICY

Course grades are determined as follows:
* Labs are meant for you to practice the lessons from the class, and allow me to give individual attention to students with their programming

Labs – 0 pts (just practice, no pressure)
Practice Sets – 0 pts (just practice, no pressure)
Midterm 1 – 140 pts
Midterm 2 – 140 pts
Final – 260 pts

The Stock Game:
- 1st place 50 pts
- 2nd place 10 pts
- Those that beat me 5 pts
- The top 2 players every week get 2 points each
- Last place -1 pt, and a song!!! (I’m not joking, I’m 100% serious)

Grade scale (pts):
A >=400
400 > B+ >=350
350 > B >= 325
325 > C+ >= 300
300 > C >= 275
275 > D >= 250
F < 250

- Grade posting: My graders do their best to return grades the following class.

- Grade grubbing: Consider a note along these lines: “Your final grade is not subject to negotiation. If you feel I have made an error, submit your written argument to me within one week of receiving your final grade. Clarify the precise error I made and provide all due supporting documentation. If I have made an error, I will gladly correct it. But I will adjust grades only if I have made an error. I cannot and will not adjust grades based on consequences, such as hurt pride, lost scholarships, lost tuition reimbursement, lost job opportunities, or dismissals. Do not ask me to do so. It is dishonest to attempt to influence faculty in an effort to obtain a grade that you did not earn, and it will not work.

### COURSE SCHEDULE

This Syllabus WILL change throughout the semester!!

<table>
<thead>
<tr>
<th>Topic</th>
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| Introduction to Class  
software download |
| Compound return  
data containers  
control sequence  
functions  
uniroot  
Lab # 1: Calculate your education’s compound return |
| Practice Set # 1  
Quantmod  
Index  
ETF  
Lab # 2: SPY/Berkshire Hathaway compound return |
| (Continued) Lab # 2: SPY/Berkshire Hathaway compound return  
Practice Set # 2 |
| **Midterm # 1** |
| Passive Investing/Active Investing  
Value Investing  
Quantitative Screens  
Earnings Yield Ratio  
Lab # 3: Calculate EY for historical fundamental data |
| (Continued) Lab # 3: Calculate EY for historical fundamental data |
| Practice Set # 3  
Quantmod – getQuote() |
Lab # 4: Calculate EY strategies

(Continued) Lab # 4: Calculate EY strategies
Practice Set # 4
Midterm # 2

ROC ratio
ggplot
Lab # 5: Calculate ROC ratio for fundamental data
(Continued) Lab # 5: Calculate ROC ratio for fundamental data

Lab # 6: ROC/EY strategy – defined horizons
(Continued) Lab # 6: ROC/EY strategy – defined horizons
Practice Set # 5

Final

SUPPORT SERVICES


[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]
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/](http://vpva.rutgers.edu/).

[Rutgers University-New Brunswick incident report link: [http://studentconduct.rutgers.edu/concern/](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](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 [TitleIX@newark.rutgers.edu](mailto: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](mailto: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](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/](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/](http://counseling.newark.rutgers.edu/)]

[Rutgers Counseling and Psychological Services–New Brunswick: [http://rhscaps.rutgers.edu/](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/](http://health.newark.rutgers.edu/)]

[Rutgers Health Services – New Brunswick: [http://health.rutgers.edu/](http://health.rutgers.edu/)]

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