**Special Topics: Equity Analysis – FINN 3000-090**

Wednesday – 6:30-9:15 PM  
Friday 130 - Spring 2018

**Professor:** Judson W. Russell, Ph.D., CFA  
**Office:** Friday Building – 350-C  
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**Office hours:** Monday/Wednesday: 10:00 – 12:00 AM  
I encourage you to meet with me, by appointment, to discuss the course. We can meet after class or at other times which are mutually available.

**Textbooks:** No textbook. Readings from academic and practitioner journals and media. Group reading from The Psychology of Investing

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*This little book has some thoughtful and informative ideas regarding the relatively nascent behavioral finance field. At worst, this book may make you reflect on your own personal investing strategy...at best, you’ll develop additional insights into the dynamics of the market (both rational and irrational influences).*

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**Objectives:** In this course we will discuss methods and techniques for analyzing equities. The course is centered on three areas of analysis (fundamental, technical, and behavioral). As a special topic course, we are most interested in practical application of course material and therefore assignments require a fair amount of out-of-class time to complete. An introduction to R programming is included in the course.

**Participation:** Your participation will improve the experience for yourself and others in the class. Quizzes/exams are offered only on the dates on this syllabus.

**Assignments and Grading:**

You will be graded solely on in-class quizzes, exams, and presentations. You will be awarded a grade based on your performance on these activities.
I follow a scale of: 90-100 A, 80-89 B, 70-79 C, 60-69 D, less than 60 F

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<tr>
<th>Assignment</th>
<th>Points</th>
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<tbody>
<tr>
<td>‘Psychology of Investing’ Presentation (1 @ 50) - Group</td>
<td>50 points</td>
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<tr>
<td>Midterm – Individual</td>
<td>100 points</td>
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<td>Case Analysis (2 @ 50) – Group</td>
<td>100 points</td>
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<tr>
<td>Project Assignment (1 @ 50) – Group</td>
<td>50 points</td>
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<tr>
<td>Bloomberg/R Quizzes (4 @ 25 each) – Individual</td>
<td>100 points</td>
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<tr>
<td>Final Exam – Individual</td>
<td>100 points</td>
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<td><strong>Total</strong></td>
<td><strong>500 points</strong></td>
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**Absences from Quizzes/Examinations.**

There will be no makeup or early quizzes/examinations of any sort. The Final Examination must be taken at the scheduled date and time. If you cannot take the Final Examination for medical reasons, you will be awarded an “I” and can complete the course requirements the following semester. If you miss the midterm examination, your final examination will have a value of 200 points out of 500. If you miss a quiz, that is recorded as a zero.

**Assignments and Lectures**

The principal method of instruction will be primarily by means of lecture. Students will be expected to actively participate in classroom discussions and the solving of problems. You should be prepared for class by reading the assigned readings, before the class meets. Solving problems, reading the assigned readings and participating in classroom discussions are ways in which you can work to improve your understanding of the course material.

Students are expected to have a single, good non-programmable financial calculator to assist them in solving assigned problems. Make sure that you know how to use your calculator as calculator use is your responsibility. You’ll also need to know Excel in order to do some of the financial modeling in this course and be open to learning R programming language. Since the field of investments is a dynamic and constantly changing area students are expected to keep abreast of current events in financial markets. This can be achieved by reading the Wall Street Journal, Business Week or Economist, which are all good sources for current information.

**Academic Integrity**

Students are advised to apprise themselves of, and adhere to the rules specified in the UNC-Charlotte code of student integrity regulations, which will be strictly enforced in this class.

**Diversity Statement**

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.
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<tr>
<th>Date</th>
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<th>Reading</th>
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| Jan 10 | Lecture: Course Structure and Introduction  
Lecture: Introduction to R, Summarizing Data with Statistics | Assignment: Download R from [https://cloud.r-project.org/](https://cloud.r-project.org/) and follow the instructions for Windows or Mac users. Download and install RStudio from [https://www.rstudio.com/products/rstudio/download2/](https://www.rstudio.com/products/rstudio/download2/) |
| Jan 17 | Lecture: Key elements of Bloomberg  
Lecture: Exploratory Data Visualization in R  
Assignment: Bloomberg worksheet and R assignment |
| Jan 24 | **Presentation**: Group 1 – Chapter 1 Psychology and Finance  
Lecture: Fundamental Analysis 1  
Lecture: Sampling and Probability in R | Reading: Buffett, *Superinvestors of Graham and Doddsville*; Munger, *Investing in Worldly Wisdom*  
Assignment: Bloomberg worksheet and R assignment |
| Jan 31 | **Bloomberg and R Quiz 1**  
**Presentation**: Group 2 – Chapter 2 Overconfidence  
Lecture: Fundamental Analysis 2  
Lecture: Discrete Distributions in R | Reading: Taleb, *Flight of the Black Swan*; Graham, *Investment Versus Speculation*  
Assignment: Bloomberg worksheet and R assignment |
| Feb 7  | **Case 1 Due**  
**Presentation**: Group 3 – Chapter 3 Pride and Regret  
Lecture: Fundamental Analysis 3  
Lecture: Continuous and Normal Distributions in R | Reading: Klarman, *Opportunities for Patient Investors*  
Assignment: Bloomberg worksheet and R assignment |
| Feb 14 | **Assign Project**  
**Bloomberg and R Quiz 2**  
**Presentation**: Group 4 – Chapter 4 Risk Perceptions  
Lecture: Fundamental Analysis 4  
Lecture: Covariance and Correlation in R | Reading: Rogers, *Conversation with a Value Guru*  
Assignment: Bloomberg worksheet and R assignment |
| Feb 21 | **Presentation**: Group 5 – Chapter 5 Decision Frames  
Lecture: Fundamental Analysis 5  
Lecture: Validating Statistical Assumptions in R | Reading: Novy-Marx, *The Other Side of Value: The Gross Profitability Premium*  
Assignment: Midterm |
| Feb 28 | **Midterm Exam Due**  
Lecture: Technical and Behavioral Analysis 1  
Lecture: Sample Size and Sample Distributions in R  
Assignment: Bloomberg Worksheet and R assignment |
| Mar 7  | **Spring Break** | |
| Mar 14 | **Presentation**: Group 6 – Chapter 6 Mental Accounting  
Lecture: Technical and Behavioral Analysis 2  
Lecture: Interval Estimates and Confidence Intervals in R  
**March 19 Last Day to Withdraw from Class** | Reading: Kahneman, *Paying Attention Literally*; Kirkpatrick and Dahlquist, *Dow Theory*  
Assignment: Bloomberg worksheet and R assignment |
| Mar 21 | **Bloomberg and R Quiz 3**  
**Presentation**: Group 7 – Chapter 7 Forming Portfolios  
Lecture: Technical and Behavioral Analysis 3  
Lecture: Linear Regression Models and Assumptions in R | Reading: Harrington, *Sentimental Journey*; Kirkpatrick and Dahlquist, *Sentiment*  
Assignment: Bloomberg worksheet and R assignment |
| Mar 28 | **Presentation**: Group 8 – Chapter 8 Representativeness & Familiarity  
Lecture: Technical and Behavioral Analysis 4  
Assignment: Bloomberg worksheet and R assignment |
| Apr 4  | **Case 2 Due,**  
**Presentation**: Group 9 – Chapter 9 Social Interaction & Investing  
Lecture: Technical and Behavioral Analysis 5  
Assignment: Bloomberg worksheet and R assignment |
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| Apr 11 | **Bloomberg and R Quiz 4**  
Presentation: Group 10 – Chapter 10 Emotion and Investment Decision  
Lecture: Equity Valuation Workshop 1  
Lecture: *Regression Trees and Classification Trees in R* | Thaler, The Beauty Contest; Thaler, Does the Stock Market Overreact?  
Assignment: Bloomberg worksheet and R assignment                                |------------------------------------------------|
| Apr 18 | **Project Due**  
Lecture: Equity Valuation Workshop 2  
Lecture: *Prior Information and Bayesian Inference in R* | Kirkpatrick and Dahlquist, *Breakouts, Stops, and Retracements*, Kirkpatrick and Dahlquist, *Moving Averages*  
Assignment: Bloomberg worksheet and R assignment |------------------------------------------------|
| Apr 25 | Lecture: Equity Valuation Workshop 3 | Assignment: Prepare for Final                                                             |------------------------------------------------|
| May 9  | **Final Exam (8:00-10:30PM)**                                      |                                                                                                  |------------------------------------------------|