

**Coordinator  
Email:**Jason Lee / Lawrence Wu  
stocksdecal@gmail.com**Sponsor Prof:** Kenneth Train  
**Website:** www.ocf.berkeley.edu/~jml/decal**Lecture #1:** We will meet once a week at Wednesday, 530PM - 7PM at 310 Hearst Mining.**Lecture #2:** We will meet once a week on Wednesday, 7PM - 830PM at 20 Barrows.**Course Objective**

Providing a detailed analysis of the stock markets, "Introduction to Stocks" offers students of all majors and backgrounds an alternative to the conventional finance class. Students will get a basic introduction to stocks as well as learn practical applications of how to invest. This course aims to help students build the ability and knowledge to make their own decisions with their investment decisions in the stock market. By the end of the course, students will not only know how to start investing on their own with a solid foundation.

**Reading****Articles from Investopedia, Motley Fool, and other websites**

Please complete assigned readings before the indicated class. This will make for more efficient and effective lectures and will allow students to ask useful questions about various concepts.

**Investors Business Daily (IBD) online edition**

Courtesy of the IBD Education Program, students will be given **free** access to IBD's online newspaper for the semester (value of \$300 / year). Reading financial news will help students gain exposure to financial news and better understand applications of concepts. Students are encouraged to take advantage of this learning opportunity.

**Other Learning  
Resources**

[finance.yahoo.com](http://finance.yahoo.com) (Yahoo! Finance)  
[www.canslim.net](http://www.canslim.net) (CANSLIM.net)  
[www.investopedia.com](http://www.investopedia.com) (Investopedia)  
[www.fool.com](http://www.fool.com) (Motley Fool)  
[www.selfinvestors.com](http://www.selfinvestors.com) (Market commentary)

[www.reuters.com](http://www.reuters.com) (Reuters Business)  
[www.investors.com](http://www.investors.com) (Learning Center)  
[www.investorwords.com](http://www.investorwords.com) (Investor Words)  
[www.bulltrader.com](http://www.bulltrader.com) (Stock Analysis Blog)

**Attendance**

**Attendance** will make up a major part of your grade! Students will be allowed a maximum of 2 absences during the semester. 3 or more absences will automatically lead to a NP grade unless there are extreme circumstances.

Your **participation is required** to make a better learning environment not only for you, but for others as well. **If you are looking for units or an easy class, this is NOT the class for you.**

**Grading:**

2 units, **P/NP** (65% is a passing grade, but you **MUST** complete all projects / papers to pass).

Participation (including attendance)	40%
Simulation Project	30%
2 Individual Papers	15%
Quiz (short multiple choice & fill in the blank test)	15%

**Assignments**

There will be 2 short papers assigned during the semester. Both of these papers will be from 2 pages long, double-spaced with 1-inch margins. The purpose of these papers is to help students review topics covered in class and apply them to real-world situations.

Students will be required to participate in virtual stock trading simulation throughout the semester. You will have to actively trade and monitor stock positions. Please be prepared to discuss your trading during classes. At the end of the semester, a paper will be assigned to discuss your portfolio and to provide analysis on specific stocks. This will be a major part of the learning experience for this class.

## Semester Agenda

- Week 1 | Overview of the Course:**  
 Introductions, setting expectations for the class, Q&A  
 Why invest? Why the stock market?  
**Hand out course application**  
 \* Email this to [stocksdecal@gmail.com](mailto:stocksdecal@gmail.com) by Saturday
- Week 2 | Basics of Investing I**  
 Getting familiarized with terminology: types of stocks, indices, exchanges, brokerage accounts, order types, bull / bear markets, primary & secondary market  
**Reading:** *Investopedia. "The Five Biggest Stock Market Myths"*  
*Motley Fool's Investing Basics "Getting Started"*  
**Extra Review:** *Investopedia. "Brokers and Online Trading"*  
*Investopedia. "Index Investing"*  
*Motley Fool. "Stocks"*
- Week 3 | Basics of Investing II**  
 Introductory concepts: margin, shorting, stock splits, market capitalization, dividends, stock market psychology  
**Stock Market Simulation begins**  
**Reading:** *Investopedia. "Margin Trading"*  
*Investopedia. "How Dividends Work for Investors"*
- Week 4 | Basics of Investing III**  
 Introductory concepts: portfolio basics, risk / return, financial goals, stock news  
 Understanding the different securities (mutual funds, ETFs, CDs, money market)  
**Reading:** *Investopedia. "Investing 101"*  
*Investopedia. "ETF Strategies"*  
**Extra Reading:** *Investopedia. "Introduction to Bonds"*  
**Quiz:** *Stock Basics*
- Week 5 | Financial Statements Primer**  
 Income statement, balance sheet, cash flow statement, ratios  
 Earning estimates  
**Reading:** *US SEC. "Beginner's Guide to Financial Statements"*  
*Investopedia. "Ratio Analysis"*  
<http://www.investopedia.com/university/ratios/>
- Week 6 | PENDING: Guest Speaker**  
**Reading:** *Investopedia. "Stock-Picking Strategies" (1<sup>st</sup> half)*
- Week 7 | Introduction to Investment Strategies & Analysis I**  
 Qualitative vs. quantitative analysis, technical vs. fundamental analysis, value vs. growth investing, ratio analysis, CAN SLIM system  
**Reading:** *Investopedia. "Stock-Picking Strategies" (2<sup>nd</sup> half)*  
**Extra Reading:** *Investopedia. "Introduction to Valuation"*
- Week 8 | Introduction to Investment Strategies & Analysis II**  
 Strategies continued...  
**Reading:** *Investopedia. "CAN SLIM Summary"*  
**Extra Reading:** *Investopedia. "Greatest Investors"*  
<http://www.investopedia.com/university/greatest/>

**Paper 1 due:** *Stock Analysis Report*

- Week 9 | Stock Chart Analysis I**  
Introduction to stock chart terminology / concepts: trends, channels, support and resistance, volume  
**Reading:** *Investopedia. "Introduction to Technical Analysis"*  
*Investopedia. "Trading on Resistance & Support"*  
**Extra Reading:** *Investopedia. "Moving Averages"*
- Week 10 | Stock Chart Analysis II**  
Using technical analysis (stock charts) for buy decisions: market bottoms, chart formations & consolidations, timing buy points  
**Reading:** *Investor's Business Daily. "Stock Charts I"*  
*Investor's Business Daily. "Stock Charts II"*
- Week 11 | Stock Chart Analysis III**  
Using technical analysis (stock charts) for sell decisions: market tops, climax tops, churning, support breakdown  
**Reading:** *Investor's Business Daily. "Selling Stocks for Profit"*  
*Investor's Business Daily. "Key Selling Indicators"*
- Week 12 | Historical Winners / Simulation Discussion**  
Analyze greatest stock winners  
**Project Paper:** **Simulation papers due**
- Week 13 | Other topics / Semester Wrap-Up**  
Possible discussion topics: investment banking, hedge funds, private equity, careers
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