Introduction to Stocks

Lecture #1: We will meet once a week at Wednesday, 5:30PM - 7PM at 310 Hearst Mining.

Lecture #2: We will meet once a week on Wednesday, 7PM - 8:30PM 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 (Yahoo! Finance)  www.reuters.com (Reuters Business)
www.canslim.net (CANSLIM.net)  www.investors.com (Learning Center)
www.investopedia.com (Investopedia)  www.investorwords.com (Investor Words)
www.fool.com (Motley Fool)  www.bulltrader.com (Stock Analysis Blog)
www.selfinvestors.com (Market commentary)

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).

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<th>Component</th>
<th>Weight</th>
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<tr>
<td>Participation (including attendance)</td>
<td>40%</td>
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<tr>
<td>Simulation Project</td>
<td>30%</td>
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<tr>
<td>2 Individual Papers</td>
<td>15%</td>
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<tr>
<td>Quiz (short multiple choice &amp; fill in the blank test)</td>
<td>15%</td>
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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 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
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
Investopedia.”Ratio Analysis”
[http://www.investopedia.com/university/ratios/]

Week 6 | PENDING: Guest Speaker
Reading: Investopedia. “Stock-Picking Strategies” (1st 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” (2nd 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”
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