

**SPRING 2003
FINA 399G SPECIAL COURSE IN SECURITY ANALYSIS**

Introduction

The objective of the course is to give HKUST students hands-on experience in writing research reports on companies. Students can learn the research report writing skills through tutorials conducted by market participant and lectures by guest speakers. This will give them an advantage over other students in the competitive job market nowadays.

Target Students

The class will be available to students majoring in finance, with priority given to the third year students who have completed the FINA 321 Valuation course.

Class Size and Format

There is no lecture given by HKUST faculty. An instructional assistant currently working in the industry would conduct teaching sessions introducing research report writing skills. Guest speakers will be invited to share their research writing careers with students. A library session will also be arranged to assist students mastering information collection techniques. The maximum number of enrolment is 40 students.

Class Venue and Meeting Time

Classes will be held on Saturdays from 10:30am to 12:20pm in Room 1403.

Textbook

There is no textbook for this course. The following books are recommended if you want to learn more about the art of investing (and some of them are placed in library reserves):

	Name	Author
1	One up on Wall Street : how to use what you already know to make money in the market / Peter Lynch with John Rothchild	Peter Lynch
2	Beating the Street / Peter Lynch with John Rothchild	Peter Lynch
3	Learn to Earn	Peter Lynch
4	The intelligent investor : a book of practical counsel	Benjamin Graham
5	Security analysis	Benjamin Graham
6	Liar's poker : rising through the wreckage on Wall Street	Michael Lewis
7	Buffettology : the previously unexplained techniques that have made Warren Buffett the world's most famous investor	Mary Buffett & David Clark
8	EQ	Danni'er Gaoman
9	Rich dad, poor dad : what the rich teach their kids about money, that the poor and middle class do not!	Robert T. Kiyosaki with Sharon L. Lechter

10	Of permanent value : the story of Warren Buffett	Andrew Kilpatrick
11	Elliott wave principle : key to stock market profits	Frost and Prechter
12	原氏物語 (第一冊) (第二冊)	原復生
13	A random walk down Wall Street : including a life-cycle guide to personal investing	Burton G. Malkiel
14	小投資者心經 (1,2)	曾淵滄
15	Warren Buffett's Letters To Berkshire Shareholders 1977 - 2001	www.berkshirehathaway.com

Assignments

Students need to form a group of 3 to 4 people writing a research report on a company listed on the Hong Kong stock exchange. Students are free to choose a target company from the main board or the Growth Enterprise Market, except for HSBC Plc, Cheung Kong Holdings Limited, Hutchison Whampao Limited, Sun Hung Kai Properties Limited and China Mobile (HK) Limited.

Groups are required to conduct a 20-30 minute presentation in Week 12 – 14 to introduce the company under research. Each group member has to present at least five minutes. To assist group work, students are required to write a 1-page interim report introducing the company they have chosen for research and their research methodology. This interim report is to be handed in before week 6.

Any signs of extensive copying from the published research reports might constitute dishonesty and be penalized heavily. Students may refer to the format and methodology of published reports but the data collected and presented in student work are subject to checking.

Grading

The course carries 2 credits and grades will be awarded. The grade will be based on the attendance and assignments as follows:

Class participation 15%

Research report:

Group work

- Write-up: graded by instructor 40%
- presentation: graded by instructor 10%
- presentation: graded by peers 10%

Individual work

- inputs from group members 20%
- individual presentation (graded by instructor) 5%

Class participation

Class participation includes attendance and willingness to raise questions during the class. As the course involves lots of content by guest speakers, students are highly encouraged to participate in the course actively by raising questions. In order for us to keep track of your class participation, we will do two things:

Small index card with your photo

I will distribute blank index cards to you. Please paste your recent photo on the index card, put down the following information (name, student id, email, major, preferred job), and return it to me in the second week.

Name card

At the beginning of each class, please collect the card with your name and put it in front of you. At the end of the class, please return it to us so that we can keep track of your attendance. There will be no seat assignment. However, after a couple of weeks, I hope that you will try to occupy the same seat every time.

Research report

The research report is done in groups of 3 to 4 members. Please hand in one copy of the write-up with names of all group members. At the end of the course, you will evaluate each of your group members on the contribution they made to the report. The followings are the criteria the instructor will use in grading the research report:

- Quantity and quality of information being collected
- Methodology and calculations
- Soundness of the assumptions and logic of the arguments
- Presentation and writing

Conduct

Since there are several guest lectures delivered by industry speakers, students should be aware that their behavior outside will always reflect on HKUST reputation. It is therefore very important for all the students to behave properly and professionally when attending the class sessions. For example, you should attend the class on time, raise questions politely, turn off your mobile phones, and should not talk to each other and cause disruptions to the class.

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Tentative Class schedule

Feb 8: Introduction
Feb 15: 1st session by IA – Valuation Techniques I
Feb 22: 2nd session by IA – Valuation Techniques II
Mar 1: Guest speaker
Mar 8: Guest speaker
Mar 15: Compulsory library session
Mar 22: Guest speaker
Mar 29: Guest speaker
April 5: No class (Ching Ming Festival)
April 12: 3rd session by IA – Quantitative Techniques
April 19: No class (Easter holiday)
April 26: Presentation
May 3: Presentation
May 10: Presentation
May 17: Due date for research project

Peer Review Form for Group Assignments

Name of peer reviewer					
Name of group member being evaluated					
Disagree			Agree		
1	2	3	4	5	Works well with group and treats all group members as colleagues
1	2	3	4	5	Completes individual task requirements to achieve group goals
1	2	3	4	5	Attends all group meetings or provides advance notice when absent
1	2	3	4	5	Is open to feedback, listens to considers other's point of view
1	2	3	4	5	Offers ideas and alternative approaches on how to achieve group goals. Encourages innovative thinking

1. Would you like to work with this person again? _____

2. Evaluate this group member overall on a scale of 1 to 10 (10 being the highest): _____

3. Evaluate yourself overall on a scale of 1 to 10 (10 being the highest): _____