

## **Applied Investment Management**

John Wightkin  
630-841-5214  
jwightkin@wideopenwest.com

### ***Class Description***

This class will put financial theory to practice by giving students hands-on experience in managing an investment process, from stock selection to trading. Students will experience first hand the decisions that investment professionals make and the tools they use to improve their decision making. Topics covered include an introduction to several different stock selection techniques and a discussion on the challenges to constructing and managing a portfolio of stocks. Throughout, emphasis will be placed on linking the theoretical and practical aspects of the investment process.

The class covers topics related to the complete investment process. Students will explore three different stock selection techniques – fundamental, technical and quantitative analysis. They will have the chance to apply these techniques to real life investment problems using the latest investment technology. Portfolio management tools and practices will also be introduced.

We will have 3-5 graded quizzes and several small group projects throughout the term. We will also have several individual assignments.

We will also play an investment game over the term of the class using a stock simulation game called Stock Trak. Each team will be given a fictitious \$1,000,000 to invest and manage and have the opportunity to apply the techniques learned in class in a close-to-real-life setting. At the end of the term, each investment group will write the analysis of their investment strategies and performance. This might serve as your final exam.

Your final grade will consist of the relative ranking of the total points accumulated throughout the class term. There will be no extra credit given.

There will be no books to purchase. Instead, class notes will be e-mailed to students prior to each class meeting. The only cost to the students will be the charge (per team) for participating in the Stock Trak game.

The class will meet every Wednesday from August 29, 2012 through December 5, 2012 from 3:00 to 5:45 pm in Burnham Hall B10.

# *Syllabus*

## **Segment 1**

1. Introduction
2. Overview of the Capital Markets and market efficiency
3. Overview of the Investment Process

## **Segment 2**

### **Fundamental Analysis**

- A. The Concept
- B. Ratio Analysis and the Du Pont Formula
- C. Fundamental Analysis Tools

## **Segment 3**

### **Technical Analysis**

- A. The Concept
- B. Types, terms and definitions
- C. Technical Analysis Tools
  - i. Charting and decision making
  - ii. Risk control

## **Segment 4**

### **Quantitative/Statistical Analysis**

- A. The Concept
- B. Key Quantitative Techniques and Tools
- C. Quantitative Tools on the Internet

## **Segment 5**

### **Portfolio Management**

- A. Style
- B. Indices/Benchmarks
- C. Risk Control
- D. Attribution
- E. Investment Vehicles

## **Segment 6**

### **Current Topics (tentative)**

- A. Market Structure & Execution
- B. Trading & Costs