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Office hours: Tuesday 4:30-5:30pm

SPRING 2025

**ECON 5353**  
**VALUE INVESTING**  
**SYLLABUS**  
**Tuesday 1:30pm-4:20pm**

This course covers the basic theory and philosophy of value investing as it has developed since Graham. We will introduce and discuss the styles of important value investors including Graham and Buffett. We will present the basic techniques of investing: search; valuation and the construction of a portfolio. We will use the framework developed in class to study specific companies. This course will only focus on equities.

**Required Work:**

- (10%) Problem Set 1 (PILO addressed #1, 2, 4)
- (15%) Problem Set 2 (PILO addressed #1, 2, 4)
- (25%) Midterm Exam **March 25** (PILO addressed #1, 2,4)
- (10%) Group Industry Presentation: **March 4** (PILO addressed #1, 2, 4)
- (15%) Group Company Presentations: **May 10** (PILO addressed #1, 2,4)
- (25%) Group Paper due **May 12** (PILO addressed #1, 2)

Bonus Points: For presenting in class an original 'buy'

**Class Meetings:**

<b>Tuesday</b>	<b>1:30PM-4:20PM</b>
<b>Saturday May 10:</b>	<b>9:00 AM-4:50 PM</b>

<b>February 11</b>	<b>No Class</b>
<b>Tuesday May 6:</b>	<b>No Class</b>

**Readings:**

*Required Text*

- Benjamin Graham, The Intelligent Investor. HarperCollins, 2003.

### Suggested Readings

Cunningham, Lawrence. The Essays of Warren Buffett: Lessons for Corporate America, 1<sup>st</sup> Revised Edition, 1997

There will be additional notes and readings handed out in class and posted on Canvas.

### Learning Outcome – Program Intended Learning Outcomes (“PILOs”):

1. Explain the methodology and philosophy of value investing, including key assumptions used, how value investing differs from other styles of investing and the strengths and limitations of this analysis framework (PILOs # 1 and 4).
2. Describe the key concepts, tools and frameworks of value investing, such as search, and different types of valuation, how these types of valuation differ from each other and from those used elsewhere (PILOs # 1 , 2 and 4).
3. Apply economic tools and principles to identify and analyze actual real world companies (PILOs # 1 and 2).
4. Communicate these findings to the class and discuss with classmates (PILOs #1, 2, 4).

### Course Format / Teaching Approach:

This course is delivered through lectures, homeworks, exam and student presentations

Teaching & Learning Activities	Roles in the Course	PILO Addressed
Lectures	Explain key concepts and their applications; Cases and examples to build student’s critical and analytical ability	1, 2, 3, 4
Problem set Exam	Enhance understand of course materials And their application through practice	1, 2, 4
Group project	Develop communication skills Develop leadership and organization skills Understand applicability to the real world	1, 2, 4

## Examinations and Grades

1. Problem sets
  - You will be assigned **problem sets** during the semester. You have to turn in your own problem sets before the deadline announced
  - Please note that **NO** late submissions will be accepted
  
2. Midterm Exam
  - There will be one in-class exam.
  - There will be **NO** makeup for the exam
  
3. Group Project

You will be assigned to a group and to a company. You will be making **2 presentations as a group**:

- a) an *industry presentation* during the term
- b) a *company presentation* at the end of the term

The group will have to write a *10 page group paper* summarizing the research and presentations. This paper is due at the end of the term.

The accompanying Project sheet contains more information.

### Criteria for evaluating papers and presentations

- Quality of the research and analysis
- Organization, clarity and persuasiveness of the presentation and writing
- Insights and originality

### Bonus points

You may do an additional in-class presentation on an original 'buy'. The presentation could be done individually or with the group. It must be approved by me. You will receive extra points for doing this presentation.

### Regrades

All requests for regrades must be in writing with clear grounds and submitted within a week of the assignment being returned. Please note that the course instructor reserves the right to regrade the entire assignment or exam.

## Chat GPT Policy

*You are prohibited from using generative artificial intelligence (AI) to produce any materials or content related to the assessment task*

## Classes

Please treat each class as a business appointment – attendance is required and punctuality is expected. If, for some reason, it is not possible for you to attend a class, please let me know by email before class.

## **ATTENDANCE POLICY**

Attendance is mandatory

Should you need to miss class, please email prof Rao before the class.

**Attendance will only be taken in the first 15 minutes after class begins. Anyone arriving after that time will be considered absent.**

**Two unexcused absences will result in a grade penalty.**

**More than two unexcused absences will result in a failing grade for the course.**

## **Academic Misconduct**

Any academic misconduct will automatically result in a failing grade for the course. Academic misconduct includes, but is not limited to, Plagiarism, Cheating, Fabrication, Aiding and Abetting Academic Misconduct, and Falsification of Records and Official Documents (see Student Handbook for more information). Any violation will result in a failing grade for both the giver and the recipient automatically.

- **RUBRICS FOR FINAL GRADE**

- Excellent Performance (A range): Demonstrates a deep understanding of the value investing framework covered in the course. Exhibits exceptional skills in utilizing the taught framework to analyze value investing issues. Excels in the problems set, exam, the presentations and the paper.
- Good Performance (B range): Shows a solid grasp of the value investing framework and techniques covered in the course. Demonstrates good skills in utilizing them to analyze value investing issues. Performs well in the problems sets, exam, presentations and paper.
- Marginal Performance (B-, C+, C): Has basic knowledge of the value investing framework and techniques covered in the course. Shows limited skills in utilizing them. Acceptable performance in the problems sets, exam, presentations and paper.

Fail: Demonstrates insufficient understanding of the value investing framework and techniques covered in the course. Lacks skills in utilizing them

I. INTRODUCTION AND OVERVIEW

Graham, Chapter 1

II. LAZY MAN PORTFOLIO

Graham, chapters 2-4, 14

III. VALUE INVESTING: INTRODUCTION

Graham, chapters 1, 6, 7, 20

IV. SEARCH

Graham chapter 8

V. **INDUSTRY PRESENTATIONS MARCH 4**

VI. FRANCHISE: ECONOMICS

Graham, chapter 13-15

VII. FRANCHISE: CHECK LIST

Graham, chapter 19

VIII. **MIDTERM EXAM MARCH 25**

IX. OPTIONS

X. VALUATION: ASSETS

Graham, chapters 10,11

XI. VALUATION: EARNINGS

Graham, chapters 12, 13

XII. PORTFOLIO

Graham. Chapter 15

XIII. **GROUP PRESENTATIONS MAY 10**