NEW COURSE—OR—REVISION TO EXISTING COURSE PROPOSAL

Please use this form to: add a new course, or to revise the title or content of an existing course, including changes to co-requisite and pre-requisite unit values.

Before you proceed, please review the approval process in advance and leave time for each involved person or committee to review the proposal.

<table>
<thead>
<tr>
<th>DATE: March 19, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENT/SCHOOL: Eberhardt School of Business</td>
</tr>
<tr>
<td>CONTACT PERSON: Unro Lee</td>
</tr>
<tr>
<td>PHONE: (209) 946-2626</td>
</tr>
<tr>
<td>BLDG &amp; ROOM NO: Weber 209-D</td>
</tr>
</tbody>
</table>

New Courses: Please complete this entire section (items 1-18)
Revisions to Courses: Please complete items 1-4 and only those items 5-18 that are being revised.

1. Please complete a. or b., not both.
   a. New Courses:
      • Proposed Course Subject/Number/Title/Prerequisites/Units (e.g., HIST 035: History of...: prerequisites - none: 4 units):

      Student Investment Fund (SIF)/BUSI 222/Prerequisites: BUSI 211 or its equivalent and permission of the instructor; 3 units. A total of 6 units should be taken over two consecutive semesters or a semester and a summer session.

      For approval of new course numbers: Send the request to this email: registrar@pacific.edu. The request needs to include the department, the course title, and a suggested discipline & number. Please attach the email approving the new course number to this proposal.

   b. Revision to Existing Course:
      • Current Course Subject/Number/Title/Prerequisites/Units (e.g., HIST 035: History of...: prerequisites - none: 4 units):

      • Proposed new Course Subject/Number/Title/Prerequisites/Units (if applicable):

2. Please attach syllabus with all required elements, including course learning objectives, (see Faculty Handbook 11.7 for Syllabus requirements).

   I have attached a copy of the syllabus.

New and Revised Course form, Page 1 of 5
Rev. 10/06
3. Please provide the copy as it is to appear in the catalog. This includes the course description, specific prerequisites, co-requisites, and any restrictions on registration (e.g., majors only). Note: Unless indicated here, a passing grade for a prerequisite course is considered a “D.”

CATALOG COPY:

Student Investment Fund (SIF) is operated entirely by students, allowing them to gain hands-on, real world experience in managing an investment fund with substantial market value. Students perform sector analyses as well as financial analyses of a wide array of securities, and as a group have to determine the fund’s sector allocation and stock/bond/cash allocation. SIF, while maintaining a well-diversified portfolio, strives to outperform the market (S&P 500).

Prerequisites: BUSI 205 or its equivalent; or permission of the instructor.

This course should be taken over two consecutive semesters or a semester and a summer session.

DEGREE AUDIT INFORMATION

4. Does this course satisfy undergraduate General Education requirements?
   [X] No [ ] Yes  If yes, what area does it satisfy (e.g. IA)?

5. Was this course ever offered under a Special Topics number?
   [ ] No  [X] Yes  If yes, provide info below.

<table>
<thead>
<tr>
<th>Special Topics Subject/Course #</th>
<th>BUSI 293A</th>
<th>Last year taught</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course title</td>
<td>Student Investment Fund</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Does this course fulfill General Education or major requirements for your program?
   [ ] No  [X] Yes  If yes, then what area/requirement does it fulfill?
   MBA Finance-Track

7. Does this course fulfill undergraduate minor requirements for your program?
   [ ] No  [X] Yes  If yes, then what area/requirement does it fulfill (e.g. upper division elective)?
   MBA elective

REGISTRATION INFORMATION

8. Units: 3 units
9. Grading options available to students who enroll (check all that apply):
   □ √ Letter (A-F)   □ Pass/No Credit   □ Audit

10. Schedule Type (check all that apply):
    □ Lecture   □ Thesis/Doctoral Project   □ Activity Course
    □ Lab   □ Internship, Co-op, Fieldwork   □ Practicum
    □ Discussion   □ Applied Music   □ Correspondence
    □ Seminar   □ Studio Instruction   □ Other
    □ Research/Independent Study   □ On-line

11. Expected Enrollment: 15 students per semester

12. Is a special fee to be charged?
    □ √ No   □ Yes   If yes, list the charge and fee code:
    □ Per unit   ‑‑‑‑   □ Flat fee

RELATIONSHIP TO OTHER COURSES

13. Is this course cross-listed with others?
    □ No   □ √ Yes   If yes, which courses?

<table>
<thead>
<tr>
<th>Subject/Course #</th>
<th>BUSI 122</th>
<th>Title</th>
<th>Student Investment Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject/Course #</td>
<td></td>
<td>Title</td>
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<td>Subject/Course #</td>
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<td>Title</td>
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</tbody>
</table>

14. Course Similarities
   a. Is this course similar in content to course(s) in another school or department?
      □ √ No   □ Yes   If yes, which course(s)?

<table>
<thead>
<tr>
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</tr>
</tbody>
</table>

b. If yes, how is this course distinctive?

15. Will other courses be deleted as a result of this proposal when this course is created?
   (Note: if course is still being taught in the future do not delete it here.)
   □ No   □ √ Yes   If yes, which course(s)?

<table>
<thead>
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<tr>
<td>Subject/Course #</td>
<td>Title</td>
</tr>
</tbody>
</table>

16. Is the deleted course cross-listed with other courses?
    □ No   □ √ Yes   If yes, which course(s)?

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Rev. 1006
17. What is the anticipated impact on resources (e.g., faculty, funds, facilities, library, technology, etc.)

Two finance faculty members will rotate as a faculty advisor to this course. One person will serve as a faculty advisor for a semester and a summer session and another will serve as a faculty advisor for a semester.

18. Will University computer labs be needed?

☑ No ☐ Yes

If yes, what software will be needed?

Please remember to make the corresponding changes to your program's catalog copy when you receive page proofs for next year's catalog.

NEW COURSE —OR— REVISION TO EXISTING COURSE PROPOSAL
APPROVAL SHEET

DATE: ____________________________
DEPARTMENT/SCHOOL: ____________________________
CONTACT PERSON: ____________________________
PHONE: ____________________________
BLDG & ROOM NO: ____________________________

Please obtain signatures in the order they appear below, as applicable.

☑ DEPARTMENT CHAIR: ____________________________

☐ CHAIRS OF OTHER INVOLVED DEPARTMENTS (if applicable):

(Signatures needed for new courses and deletions)

☐ CHAIR, SCHOOL/COLLEGE CURRICULUM COMMITTEE:

☐ DEAN OF SCHOOL/COLLEGE:

☐ GENERAL EDUCATION COMMITTEE (if applicable):

(Signature needed for new courses and deletions)

DATE: ____________________________

DATE: 4/23/07

DATE: 4/23/07

New and Revised Course form, Page 4 of 5
Rev. 10/06
6. □ DEAN OF THE LIBRARY:  
   [Signature]  
   DATE: ____________  
7. □ DIRECTOR, EDUC. TECH. SERVICES (if computer lab, software needed):  
   [Signature]  
   DATE: 4/26/07  
8. □ GRADUATE STUDIES COMMITTEE (if applicable):  
   [Signature]  
   DATE: 4/26/07  
9. □ REGISTRAR:  
   [Signature]  
   DATE: ____________  

□ ACADEMIC AFFAIRS COMMITTEE:  
   [Signature]  
   DATE: ____________
BUSI 122/222 Eberhardt Student Investment Fund (SIF)
Unro Lee
Spring 2007

Syllabus

Office:
209-D Weber Hall
(209) 946-2626
E-mail address: ulee@pacific.edu

Office Hours:
10:00 a.m. - 11:00 a.m., Tuesdays and Thursdays, and by appointment.

Course Description:

Student Investment Fund (SIF) is an entity that will be operated entirely by students. Selected undergraduate and graduate students, under the guidance of a faculty advisor, will gain hands-on, real world experience in managing an equity/bond fund with substantial market value. The objective of the Fund is to maintain a well-diversified portfolio that will outperform the market (proxied by S&P 500 Index).

Both domestic and international equities will be considered for the Fund. Students may invest in Fixed Income Securities if the outlook for interest rates looks favorable. They may invest, with the approval of the faculty advisor, in derivate securities only as a means to hedge the value of the Fund against market volatilities, but not for speculative purposes.

Each Student will perform sector analysis as well as detailed financial analyses of individual securities. In addition, students as a group will determine the fund's sector allocation, stock/bond/cash allocation, and which securities to add to or delete from the portfolio.

Also it is expected that between 2 and 3 prominent leaders in the investment community will visit the Fund as guest speakers every semester.

Learning Objective:

At the end of two-semester experience in running the Student Investment Fund, the students should be experts in selecting securities and managing a portfolio of securities.
Required Reading:

Stowe, John, Thomas Robinson, Jerald Pinto, and Dennis McLeavey, 2002, Analysis of Equity Investments: Valuation, AIMR: Baltimore, MD.

Students' Responsibilities:

Each student in the Fund will be assigned a sector at the beginning of semester by the faculty advisor (refer to Exhibit 2) and the student will then have to make a brief presentation (between 5 to 10 minutes) to the Fund early in the semester regarding the appropriate weighting of the sector within the Portfolio. This student must distribute a copy of the report via e-mail to every member of the Fund and to the faculty advisor 1-2 days before the scheduled date for presentation. After a recommendation is made by the student, followed by a brief Questions and Answers session, the Fund members as a group will then determine the appropriate sector weighting within the Portfolio. These students as a group will also have to determine at the beginning of the semester the appropriate stock/bond/cash allocation of the Fund.

Also, each student is expected to analyze one or two securities within the assigned sector and make appropriate recommendations to the class. These securities can be either existing securities in the Portfolio or new securities being considered for purchase. This student will have to prepare a detailed written report on the company, which must include as a minimum the industry and company overview, Pro Forma Income Statement, and an analysis of company valuation using various state-of-the-art investment techniques. The student will also have to justify in the report assumptions being made on the value of discount rate, growth rate of earnings, etc. The report should conclude with a recommendation to buy, sell, or hold a position in this security.

This student must distribute a copy of the report via e-mail to every member of the Fund and to the faculty advisor 2-3 days before the scheduled date for presentation. Also the student has to provide the faculty advisor a hard copy of the report before the scheduled date of presentation. Failure to do so will result in stiff penalty. The student will make a 15-20 minutes Power Point presentation, which will be followed by a 15-20 minute Questions and Answers session. It is extremely important to focus on current economic/financial/political events that may affect your company as well as your analysis of the company. Every member of the Fund is expected to ask at least one good question during the Q and A session. The class will then decide whether to accept or reject the recommendation.

If the security under review is an existing security in the portfolio, the recommendation will be either a hold or sale. A hold will not require a vote by the
group, but a sale will. If the security under review is a new security, then the recommendation will be a buy (with 3% equity position). The Operation Manager will count the votes and the final decision will be made based on the majority vote. If the final decision is either a buy or a sale, the Operation Manager will then execute trading through the broker, Mr. Larry Watts of the AG Edwards.

It is important to begin researching and preparing reports well before the scheduled date of presentation. I recommend giving yourself at least three weeks to complete your report. Also every member should read the report very carefully and prepare a list of questions to ask before the date of presentation.

Students in the Fund will also be expected to report to other Fund members on a regular basis the current performance of and the future outlook for their assigned sectors. Also, the Portfolio Manager of the Fund will provide Fund members every week the market value of current holdings and discuss whether the current asset holdings are consistent with the Fund's objective.


Grading:

The student's grade for the course will be based on his or her presentations and written reports. The written reports (sector analysis, individual security analysis) will constitute 60% of the grade. Oral presentation of the reports and class participation will count toward remaining 40% of the grade. Therefore, it is very important for students to actively participate in Questions and Answer sessions by asking insightful questions following oral presentations.

Officers of the Student Investment Fund:

Officers of the Fund will be elected by students during a given semester. However, at the beginning of the Spring 2007 semester, when the Fund is officially launched at the Eberhardt School of Business, I reserve the right to choose the officers of the Fund. The officers will be comprised of a Chief Administrator, an Operations Manager, one or two Portfolio Manager, a Chief Accountant, and a Chief Economist. Details on responsibilities of each officer of the Fund are provided in Exhibit 1.

Written Reports:

a. Sector Analysis –
Each student is expected to write a 2-3 page analysis of the assigned sector. Information on the sector from various Internet websites should be the source of the analysis. Please check the attached class presentation schedule to familiarize yourself with deadlines for your presentations.

**Sector Report Guidelines –**

I. **S&P 500 GICS Sector Scorecard**

1. Go to [http://www2.standardandpoors.com](http://www2.standardandpoors.com)
2. Click on the “Indices” link located on the top of the screen
5. Download

II. **Overview of the Sector and Recent News for the Sector**

III. **SIF holdings within the sector ([www.spdrindex.com](http://www.spdrindex.com) is an excellent source of information for this section)**

   i. Performance of SIF sector holding relative to the S&P 500 for most recent quarter, YTD, 1 year, and 5 years.
   ii. Performance comparisons to relevant benchmarks in your sector
   iii. Outlook for holdings in the sector

IV. **Recommendations**

**b. Security Report Guidelines –**

I. **Company overview**

   i. brief history
   ii. recent macroeconomic/financial/political/technological news and events that have directly or indirectly influenced company’s earnings and stock price.
   iii. financial snapshot (include ticker symbol, current price, beta, stock price over 52 week range, forward P/E, trailing P/E, current EPS, dividend yield, PEG, etc.)

II. **Industry Analysis (brief Industry profile and the outlook for the industry)**

III. **Ratio Analysis (be sure to calculate all ratios yourself – do not cut and paste from a website)**

   i. liquidity ratios
   ii. asset utilization ratios
   iii. debt ratios
iv. profitability ratios
v. valuation ratios (P/E, Price/Sales, Price/CF, Price/Free CF)
vi. DuPont Analysis

IV. CAPM Analysis

i. risk-free rate (use 20-year Treasury bond yield)
ii. market risk premium (5.7% is the historical MRP)
iii. beta (find the most recent beta using regression method)

V. Other Valuation Procedures

i. DDM analysis
ii. P/E analysis

VI. 3-Year EPS and P/E Estimates; 3-year Stock Price forecasts (justify assumptions made to obtain these estimates)

VII. Current Political/Legal/Regulatory constraints faced by the company, if any.

VIII. Investment Recommendation (Also provide both pros and cons to recommendations)

IX. Appendices (consisting of pertinent Tables and Figures)

References –

Please make use of reference footnotes in this report. No plagiarism will be tolerated in this class. Any student accused of plagiarism may receive a grade of F for the course and/or be asked to drop the course.
Exhibit 1

DESCRIPTION OF OFFICERS OF THE STUDENT INVESTMENT FUND (SIF)*

I. Chief Administrator

The Chief Administrator is responsible for the day to day operation of the Fund. He or she will work closely with the faculty advisor in establishing the schedule of presentation for each semester. The Chief Administrator has the responsibility for conducting the meetings of the fund and for coordinating the activities of the other officers and students in the Fund. The Chief Administrator is also the person primarily responsible for representing the fund to the public.

II. Operations Manager

The Operations Manager is in charge of maintaining all non-accounting records of the Fund. This includes the processing and filing of incoming mail and other documents received by the Fund. The Operation Manager is also responsible for the maintenance and control of the physical facilities under the Fund’s control. Thus, computer related problems, copying problems, etc. should be directed to the Operations Manager. The most important function of the Operations Manager is to execute stock and bond transactions and therefore serve as a liaison between the Fund and the broker, Larry Watts of the AG Edwards.

III. Portfolio Manager

The Portfolio Manager is responsible for ensuring that the Fund maintains a well-diversified portfolio whose objective is consistent with the Fund’s target. The manager is expected to provide a list of current holdings and their current market values to the members of the Fund on a weekly basis. Students who are responsible for new stock selection for the Fund should consult with the Portfolio Manager before undertaking an analysis of the security.

IV. Chief Accountant

The Chief Accountant is responsible for keeping the official books of the Fund. He or she should update the records monthly based on invoices, documents from transactions, etc. The Chief Accountant is also responsible for maintaining the purchasing procedures and controls of the Fund. No purchase should be made from an outside vendor by a member of the Fund without first consulting with the Chief Accountant. The Chief Accountant is also responsible for preparing an Annual Report of the Fund and working with outside Auditor, Grant Thornton, in the preparation of the Fund’s audit.
V. Chief Economist

The Chief Economist is responsible for regularly providing macroeconomic forecasts of the United States and foreign economies which are expected to be used in implementing an appropriate asset allocation strategy at the beginning of the semester and as an input for students’ written report on sector analysis and individual security analysis. The Chief Economist will work closely with the Director of Business Forecasting Center at the Eberhardt School of Business in preparing these forecasts. The Chief Economist is expected to disseminate two or three economic forecasts every semester.
Exhibit 2
Sector Assignment

1. Consumer Discretionary
2. Consumer Staples
3. Energy
4. Financial
5. Healthcare
6. Industrial
7. Materials
8. Technology
9. Utilities
10. Fixed Income

Alexzis Fukuji
Yen-Yi Lin
Ben Courtney
Joseph Deavours
Andrew Llarenas
Charles Raub
Lee Muse
Wu Zaixin
Ashley Nyberg
Chris McDermott

E-mail addresses –

Alexzis Fukuji (a_fukuji@pacific.edu)
Yen-Yi Lin (y_lin1@pacific.edu)
Ben Courtney (bcourtne@gmail.com)
Joseph Deavours (j_deavours@pacific.edu)
Andrew Llarenas (a_llarenas@pacific.edu)
Charles Raub (charlesraub@gmail.com)
Lee Muse (leemuse3@gmail.com)
Wu Zaixin (wuzaixin1118@hotmail.com)
Ashley Nyberg (a_nyberg@pacific.edu)
Christopher McDermott (c_mcdermott@pacific.edu)
Exhibit 3
Officers of the Fund

Chief Administrator
Chris McDermott
Operations Manager
Ashley Nyberg
Portfolio Manager
Alexzis Fukuji, Lee Muse
Chief Accountant
Wu Zaixin
Chief Economist
Ben Courtney
Eberhardt Student Investment Fund (SIF)
Spring 2007 Schedule
Revised (March 5th, 2007)

1/16 (Tue) Introduction
1/18 (Thur) Economic Forecast Presentation - Prof. Lee
1/23 (Tue) Equity and Fixed Income Sector Report
1/25 (Thur) Equity and Fixed Income Sector Report/Sector Discussion and Weighting
1/30 (Tue) Lecture (Equity) - Prof. Lee
2/1 (Thur) Lecture (Equity) - Prof. Lee
2/6 (Tue) Lecture (Equity/Fixed Income) - Prof. Lee
2/8 (Thur) Lecture (Fixed Income) - Prof. Lee
2/13 (Tue) Guest speaker—Larry Watts
2/15 (Thur) Ben Courtney—Economic Report
2/20 (Tue) Charles Raub - New Stock/ Ben Courtney - New Stock
2/22 (Thur) Andrew Llarenas - New Stock/ Chris McDermott - New Stock
2/27 (Tue) Yen-Yi Lin - New Stock/ Ashley Nyberg - New Stock
3/1 (Thur) Joe Deavours - New Stock/Alexzis Fukuji - New Stock
3/6 (Tue) Zaixin Wu - New Stock/Lee Muse - New Stock
3/20 (Tue) No meeting
3/22 (Thur) No meeting
3/27 (Tue) Ashley Nyberg - New Stock/Zaixin Wu - New Stock
3/29 (Thur) Guest Speaker—Ken Gregory (Operates Mutual Fund and selects stock pickers to run the fund)
4/3 (Tue) Review application forms and make a shortlist of eligible candidates
4/5 (Thur) Guest Speaker—Ron Berberian (Owns: Bank of Ag, Winery, dealership, son-in-law of Alex Spanos)
4/10 (Tue) Make final decision. / Alexzis Fukuji - New Stock
4/12 (Thur) Lee Muse - New Stock/ Chris McDermott - New Stock
4/17 (Tue) Officer Election
4/24 (Tue) No class (prepare for presentation on 4/25)
4/25* (Wed) meeting in Sacramento (make formal presentation to the University Investment Fund Committee)
4/26 (Thur) Joseph Deavours - New Stock
5/1 (Tue) Ben Courtney - New Stock
5/3 (Thur) Charles Raub, Andrew Llarenas - New Stock
5/8 (Tue) Portfolio Performance Evaluation - Portfolio Managers

* - It is very important that everybody attends the meeting and does an excellent job in presentation as this will be the occasion where the University will decide how much to contribute to SIF.
Hi Dr Hoverstad,
The Course numbers available are:

Tricia Isbill
Office of the Registrar
tisbill@pacific.edu
209-946-2135

>>> registrar 02/14/07 3:46 PM >>>
Hi Trish, I believe this is for you :) 

>>> Ron Hoverstad 2/14/2007 3:00:47 PM >>>
Please provide a new course number for a proposed MBA course. The new course proposal form (course identified as BUSI 2XX) is attached. The new course will eliminate the need for courses BUSI 200 through 209, and we've used BUSI 210 in the past. So, it seems like a 200 number in the teens would be the most appropriate.

Thanks.
Ron Hoverstad
Associate Dean for MBA Programs