**Seminar in Value Investing Professor Paul Johnson**

Fall 2021 (m) 917 882-7753

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Office hours: by appointment

**Course Description:**

Columbia Business School is the academic home of Benjamin Graham and the birthplace of security analysis and value investing. Graham, with the help of David Dodd, taught Security Analysis at Columbia from 1928 to 1956. They published their seminal work, *Security Analysis*, in 1934 and Graham published *The Intelligent Investor* in 1949. Roger Murray took-over teaching the course upon Graham’s retirement and taught until he retired in 1978. After a 17-year gap, **Value Investing** returned in the fall of 1993 under Professor Bruce Greenwald’s guidance and has been offered at the school ever since. Notable graduates from the program include Warren Buffett, Mario Gabelli, Glenn Greenberg, Leon Cooperman, Chuck Royce, William von Mueffling, and Todd Combs.

This survey course is designed to introduce the fundamentals of the Graham and Dodd value approach to investment analysis. The basic analytical structure and its relationship to many elements from the MBA curriculum will be described through lectures, exercises, readings, in-class discussions, and homework assignments; the last day of the course will be devoted to student presentations of an investment recommendation.

**Class Structure will consist of:**

Lectures and in-class discussions

Financial modeling

Group presentations (last day of the course)

The lectures will cover:

Introduction and course history

Capital market theory

Intrinsic value vs market expectation

Competitive advantage, growth, and capital allocation

Corporate governance, managing for value, and activist investing

Security analysis and research techniques

Valuation and risk

Search, portfolio construction, and risk management

Forecasting and scenario analysis

Decision making under uncertainty

**Course reading:**

*Pitch the Perfect Investment,* Sonkin and Johnson

*Most Important Thing*, Howard Marks

*Mindset*, Carol Dweck

*Deep Work*, Cal Newport

*Wisdom of Finance,* Mihir Desai

Articles on Canvas

**Course Requirements:**

The bulk of the work in this class will be performed in groups, although there will be several individual assignments.

Every student will participate in analyzing an investment opportunity as part of a group project and each group will present an investment recommendation, based on their analysis, to the class at the end of the term. The guidelines for the final case will be presented in class.

Students are expected to participate in daily classroom discussions and activities.

**Grades:**

Grades will be determined by how well your group does on its final presentation, individual assignments, and class participation.

Final presentations will be graded on the strength of their investment analysis and its persuasiveness.

Class participation will be graded on an individual basis. Students are encouraged to challenge, disagree, and pose alternative views. Points will be given for quality over quantity.