

Course Title: Value Investing: An Introduction

Course Code: BUS 123 W

Instructor Name and Bio: Kenneth Jeffrey Marshall is a value investor who has taught over 1,000 Stanford Continuing Studies students. He is the author of *Good Stocks Cheap: Value Investing with Confidence for a Lifetime of Stock Market Outperformance*, which was also published in Chinese; and *Small Steps to Rich: Personal Finance Made Simple*. He has been featured on NPR and CNBC, and also teaches investing at the Stockholm School of Economics. He received an MBA from Harvard.

Class Sessions and Recording

Meeting days and times: Fridays, specifically January 13, 20, and 27; February 3, 10, 17, and 24; and March 3, 10, and 17. Each session will last one hour. Starting times will vary week-to-week in order to best accommodate the diverse schedules that we as a group represent. The time of each Friday session will be announced on Canvas the prior Saturday. Live attendance is optional; most students take the sessions in via the recordings.

Meeting location: Zoom

The class sessions will be recorded. One can easily get the full benefit of the course through the recordings.

Course Features:

- Live session
 - Case discussions and Q&A
- Assignments & Coursework
 - Cases and course materials posted in Canvas
 - Students who choose the letter grade option will submit a 2-page final paper.

Course Summary

Anyone who invests for themselves or their families will benefit from the course. No prior knowledge of accounting or finance is required, although a basic familiarity with spreadsheets would be useful.

The objective of the course is to enable students to invest in individual publicly-traded stocks with skill and confidence, using the capital management strategy that has performed best over the long term.

**Please see course page for full description and additional details.*

Please contact the Stanford Continuing Studies office with any questions
365 Lasuen St., Stanford, CA 94305
continuingstudies@stanford.edu
650-725-2650

Grade Options and Requirements

- No Grade Requested (NGR)
 - This is the default option. No work will be required; no credit shall be received; no proof of attendance can be provided.
- Credit/No Credit (CR/NC)
 - Students must attend, or watch the recordings of, at least 7 of the Zoom sessions.
- Letter Grade (A, B, C, D, No Pass)
 - Students must attend, or watch the recordings of, at least 7 of the Zoom sessions; and submit a 2-page final paper on an individual stock investment idea.

**Please Note: If you require proof that you completed a Continuing Studies course for any reason (for example, employer reimbursement), you must choose either the Letter Grade or Credit/No Credit option. Courses taken for NGR will not appear on official transcripts or grade reports.*

Textbooks/Required Materials

Required text: *Good Stocks Cheap: Value Investing with Confidence for a Lifetime of Stock Market Outperformance*, Marshall, 2017, ISBN 978-1259836077.

Additional case materials will be provided in downloadable form free of charge.

First Assignment

The first case will be posted on Canvas by Saturday, January 7, 2023.

Tentative Weekly Outline

Each week we'll introduce a new stock that's of current interest to the best value investors in the world. We'll then apply as many of the book chapters as we've read to that case. The companies that we'll analyze will come from a range of industries and geographies. But because they'll be of timely interest, they can't be specifically identified this far in advance.

Week 1

Chapter 1: The Quiet Outperformer
Chapter 5: Understanding the Business
Case

Week 2

Chapter 6: Accounting is a Language
Chapter 7: Capital Employed

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Case

Week 3

Chapter 8: Operating Income
Chapter 9: Free Cash Flow
Chapter 10: Book Values and Shares
Case

Week 4

Chapter 11: Past Performance
Case

Week 5

Chapter 12: Future Performance
Case

Week 6

Chapter 13: Shareholder-Friendliness
Case

Week 7

Chapter 14: Inexpensiveness
Case

Week 8

Chapter 16: Misjudgment and Misaction
Case

Week 9

Chapter 19: Generating Ideas
Case

Week 10

Chapter 20: Differences Among Value Investors
Case