

**FIL 370**  
**Educational Investment Fund**  
**Fall 2025**

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**Professor:** Dr. (Stella) Min-Yu Liao  
**Time/Location:** M/W 9:35 AM - 10:50 AM / SFHB151  
**Office:** 420 State Farm Hall  
**Office Hours:** Monday 11 AM – 12 PM or by appointment  
**Office Phone:** (309) - 438-8764  
**Email:** [mliao@ilstu.edu](mailto:mliao@ilstu.edu)

**COB Mission:**

Through our shared commitment to excellence in teaching, research, and service, we prepare students to be skilled and ethical business professionals who will make significant positive contributions to organizations, to communities, and to our larger society.

**Academic Integrity:**

You are expected to be honest in all academic work, consistent with the academic integrity policy as outlined in the Code of Student Conduct. All work is to be appropriately cited when it is borrowed, directly or indirectly, from another source. Unauthorized and unacknowledged collaboration on any work, or the presentation of someone else's work, is plagiarism. In certain circumstances, I may be required to refer violations to the Student Conduct and Community Responsibilities, a unit of the Dean of Students Office.

**Course Prerequisites:**

Permission of Department Chair. FIL 242 with a grade of C or better, and credit or concurrent enrollment in FIL 241.

**Course Description and Objective:**

This course has a significant applied investment management component. You will research equities and make investment recommendations for the Educational Investment Fund (EIF). The EIF is a stock portfolio with approximately \$1 million in assets under management and is managed under the supervision of the Department of Finance, Insurance & Law on behalf of the ISU Foundation.

The objective of the course is to apply fundamental analysis of common stocks and manage an equity portfolio. At the end of the term, upon successful completion of the course, students will be able to:

- Evaluate equity securities.
- Analyze optimal investment decisions.
- Develop oral communication skills.
- Create written security reports.
- Build professional networks.

**Required Textbook:**

Investment Valuation: Tools and Techniques for Determining the Value of any Asset, University Edition. 2nd Edition. *Wiley*. Author: Aswath Damodaran  
ISBN: 978-1-118-20659-1

Milner library has free access to the electronic copy of the textbook: [Investment valuation : tools and techniques for determining the value of any asset - Illinois State University \(ISU\) —Normal, IL \(exlibrisgroup.com\)](https://www.exlibrisgroup.com/Investment-valuation-tools-and-techniques-for-determining-the-value-of-any-asset-illinois-state-university-isu-normal-il)

**Supplemental Material:**

[Investing Webinars](#) | [Investing Topics On Demand](#) | [Fidelity](#)

**Coursework And Activities:**

Students will analyze 2 securities:

1. The first security analysis is a learning practice and will be taught in class. Each student will select a security from the EIF portfolio and make a presentation in class. Your assignments for the first security analysis are: (1) write a company and industry analysis; (2) write a DuPont analysis; (3) complete the valuation Excel spreadsheet including DuPont, financial data, FCFE, DCF, PE, and sensitivity analysis; (4) deliver an 8-minute presentation individually in class.
2. The second security analysis will be presented at the board meeting. Each student will select a security NOT included in the EIF portfolio. Your assignments for the second security analysis are: (1) complete the valuation Excel spreadsheet including DuPont, financial data, FCFE, DCF, PE, and sensitivity analysis; (2) deliver an 8-minute presentation individually at the board meeting. (3) write a final written paper about security.

**Please see the due dates for each assignment in the schedule. Late submission will result in a 10% reduction in score for every day after the due date.**

Students are required to attend two board meetings (Sep 10 and Nov 12). Each student will be paired with a board member as mentor-mentee and is expected to initiate and maintain professional contact with your mentor. Mock interviews will be conducted during the first board meeting, and students should arrive prepared with a copy of resume. Individual security analysis will be presented during the second board meeting. The presentations are evaluated as an internal competition with prizes for the first and second places. Each student should be prepared to engage with the board members during both meetings.

**Comprehensive Final Analysis Report:**

You must include (but not limited to) the following items in your final report.

1. Company analysis
2. Industry analysis
3. Dupont analysis discussion (discuss the financial health of the company)
4. Discounted Cash Flow (justify your discount rate, growth rate, and the variation of the two)
5. PE analysis
5. Sensitivity scenario analysis for DCF and PE
6. Recommendation of security: buy or not buy? If it is a buy, at what price?

\*Please see the rubric for grading. A separate guide (Security Analysis Outline) is posted on Canvas.

**In-class and Board Presentation:**

Each student will make an 8-minute presentation. Please see the rubric for grading. A separate guide (Presentation Guide) is posted on Canvas.

**EIF Network:**

<https://www.linkedin.com/groups/1793205/>

**Grading:**

Your grade will be determined as follows:

| <b>Category</b>                     | <b>Weight</b> | <b>Included item</b>                                                          |
|-------------------------------------|---------------|-------------------------------------------------------------------------------|
| Board activities                    | 10%           | Mentorship; resume; mock interview.                                           |
| First securities excel and analysis | 20%           | First security valuation spreadsheet, company, industry, and DuPont analysis. |
| In-class presentation               | 20%           | In-class presentation of the first security analysis.                         |
| Board presentation                  | 25%           | Presentation of the second security analysis.                                 |
| Final report                        | 25%           | Written report of the second security analysis.                               |

| <b>Grade</b> | <b>Course Points</b> |
|--------------|----------------------|
| A            | 90-100               |
| B            | 80-89                |
| C            | 70-79                |
| D            | 60-69                |
| F            | below 60             |

## **UNIVERSITY AND BUSINESS SCHOOL POLICIES AND PROCEDURES**

### **Academic Integrity**

*General Statement from The Dean of Students Office:*

Academic integrity is an important part of this university and the course. Academic integrity is required of you the student and myself as the instructor. Students are expected to be honest in all academic work. It is the student's and faculty's responsibility to uphold the principles of academic integrity. Academic integrity should be used in the preparation of this course, in class time, regarding exams, and with regard to written assignments. A student's placement of his or her name on any academic exercise shall be regarded as assurance that the work is the results of the student's own thought, effort and study.

Students who have questions regarding issues of academic dishonesty should refer to the Code of Student Conduct, B1 (Academic Integrity), which outlines unacceptable behaviors in academic matters. In certain circumstances (such as cheating or plagiarism), I may be required to refer a student to Community Rights and Responsibilities for a violation of Illinois State University's Code of Student Conduct. If you are uncertain about whether or not something is dishonest, please contact me. Academic penalties regarding academic dishonesty may range from failure of the assignment (with a zero for the piece of work) to dismissal from the University, depending upon the seriousness of the infraction and the student's disciplinary record.

Link to code of student conduct:

<http://deanofstudents.illinoisstate.edu/students/get-help/crr/documents/CodeOfStudentConduct-Revised5.12.pdf>

### **Absence Due to Illness or Bereavement**

If you have to miss class due to an extended illness (3 or more consecutive class days) or a bereavement, the Dean of Students Office can help. It's located in Room 387, Student Services Building.

### **For additional information and help...**

For help with study skills, test taking, writing skills, grammar, and other academic assistance, the University Center for Learning Assistance (438-7100) provides training that can help you succeed.

**Any student needing to arrange a reasonable accommodation for a documented disability should contact Disability Concerns at 350 Fell Hall, 309-438-5853**

**[www.disabilityconcerns.ilstu.edu](http://www.disabilityconcerns.ilstu.edu).**

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**Fall 2025 Tentative Schedule**

| Week | Date              | Day             | Topic                                          | Reading Before Class                | Due 11:55pm                                                       |
|------|-------------------|-----------------|------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|
| 1    | 08/18/2025        | Monday          | Review of Financial Statement; Ratio Analysis; | P11-23; 27-55; 58-68                |                                                                   |
|      | 08/20/2025        | Wednesday       | Ratio Analysis; Company 10-K;                  | P258-260; 271-273; 275-276; 278-302 |                                                                   |
| 2    | 08/25/2025        | Monday          | Fundamental Analysis (Excel work)              | P351-353; 359-363                   |                                                                   |
|      | 08/27/2025        | Wednesday       | Company Analysis                               |                                     | 1 <sup>st</sup> security DuPont analysis (worksheet + analysis)   |
| 3    | 09/01/2025        | Monday          | <b>Labor Day-No class</b>                      |                                     |                                                                   |
|      | 09/03/2025        | Wednesday       | Industry and Economic Analysis                 |                                     | (1) 1 <sup>st</sup> security “Financials” worksheet<br>(2) Resume |
|      | <b>09/06/2025</b> | <b>Saturday</b> | <b>Board Meeting. 9:00 AM to noon</b>          |                                     | <b>Mock interview</b>                                             |
| 4    | 09/08/2025        | Monday          | Fundamental Analysis (Excel work)              |                                     |                                                                   |
|      | 09/10/2025        | Wednesday       | Fundamental Analysis (Excel work)              |                                     | 1 <sup>st</sup> security company and industry analysis            |
| 5    | 09/15/2025        | Monday          | Fundamental Analysis (Excel work)              |                                     |                                                                   |
|      | 09/17/2025        | Wednesday       | Fundamental Analysis (Excel work)              |                                     | 1 <sup>st</sup> security “FCFE, G, R” + “DCF” worksheets          |
| 6    | 09/22/2025        | Monday          | Fundamental Analysis (Excel work)              |                                     | 1 <sup>st</sup> security “PE” worksheet                           |
|      | 09/24/2025        | Wednesday       | <b>1st Security Presentation</b>               |                                     | 1 <sup>st</sup> security PPT slides                               |
| 7    | 09/29/2025        | Monday          | <b>1st Security Presentation</b>               |                                     | 1 <sup>st</sup> security PPT slides                               |
|      | 10/01/2025        | Wednesday       | <b>1st Security Presentation</b>               |                                     | 1 <sup>st</sup> security PPT slides                               |
| 8    | 10/06/2025        | Monday          | <b>1st Security Presentation</b>               |                                     | 1 <sup>st</sup> security PPT slides                               |
|      | 10/08/2025        | Wednesday       | 2nd Security Analysis                          |                                     |                                                                   |
| 9    | 10/13/2025        | Monday          | 2nd Security Analysis                          |                                     |                                                                   |
|      | 10/15/2025        | Wednesday       | 2nd Security Analysis                          |                                     | 2nd security “DuPont” + “Financials” worksheets                   |
| 10   | 10/20/2025        | Monday          | 2nd Security Analysis                          |                                     |                                                                   |
|      | 10/22/2025        | Wednesday       | 2nd Security Analysis                          |                                     | 2nd security “FCFE, G, R” + “DCF” worksheets                      |
| 11   | 10/27/2025        | Monday          | 2nd Security Analysis                          |                                     |                                                                   |
|      | 10/29/2025        | Wednesday       | 2nd Security Analysis                          |                                     | 2nd security “PE” worksheet                                       |
| 12   | 11/03/2025        | Monday          | 2nd Security Analysis                          |                                     |                                                                   |
|      | 11/05/2025        | Wednesday       | Final Review for Board Presentation            |                                     | 2nd security PPT slides. Seek feedback from mentors               |
|      | <b>11/08/2025</b> | <b>Saturday</b> | <b>Board Meeting. 9:00 AM to noon</b>          |                                     | <b>Presentation Competition</b>                                   |
| 13   | 11/10/2025        | Monday          | Portfolio Transaction Voting                   |                                     |                                                                   |

|    |            |           |                              |  |                                        |
|----|------------|-----------|------------------------------|--|----------------------------------------|
|    | 11/12/2025 | Wednesday | Portfolio Transaction Voting |  |                                        |
| 14 | 11/17/2025 | Monday    | Final report                 |  |                                        |
|    | 11/19/2025 | Wednesday | Final report                 |  |                                        |
| 15 | 11/24/2025 | Monday    | <b>Thanksgiving break</b>    |  |                                        |
|    | 11/26/2025 | Wednesday | <b>Thanksgiving break</b>    |  |                                        |
| 16 | 12/01/2025 | Monday    | Final report                 |  |                                        |
|    | 12/03/2025 | Wednesday | Final report                 |  | 2nd security comprehensive final paper |