

Teaching & mentoring

Marcus Opp

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There are two things that I enjoy about teaching. First, I enjoy the in-classroom experience, which is generally shared by my students, as shown by the 2017 Poets and Quants “Top-40 under 40” award and student evaluations. Second, I enjoy communicating the subject of finance and making students aware of pervasive misunderstandings of how financial markets are supposed to work. One of the key insights that I try to communicate in my course is that stock market prices are forward-looking, or why “good companies” are not necessarily “good investments.” I tend to start my course with a “true story:”

While cycling with a friend of mine, a biology postdoc at Stanford, I was asked whether Tesla stock was a “good investment.” Instead of immediately giving my opinion, I responded “Why do you think it should be a good investment?” He argued that he just read an article about the enormous growth prospects of ecologically-friendly cars, that oil resources would eventually be depleted, and that he knew of a lot of people who wanted to purchase a Tesla. In short, the company should be a strong buy! He looked at me with a convincing facial expression of a car salesman, but I did not seem all too impressed, and continued my questioning by asking him whether he was sure he did not have any better information. Somewhat annoyed by my lack of enthusiasm, he proceeded “Aren’t these enough reasons to buy Tesla?” I smiled and started to enter my teaching mode: “All the reasons that you just gave me are indeed reasons why Tesla is a great company, but they are also reasons why everyone else is willing to pay a high price for the stock, making it not necessarily a good investment. Why would anyone sell this stock to you for a price that is “too” low?” He paused, reflected on my comment, and then continued: “Finance is much more complicated than I thought... In contrast to our lab experiments (cancer research!), stock market prices already anticipate future outcomes.” I could not have said it in a better way. I felt an incredible amount of satisfaction teaching him, a distinguished researcher at our rival institution, this fundamental principle of my finance class, in such a short period of time! After 5 minutes of silence, he continued: “Marcus, do you think I should invest in the Chinese stock market? China’s economy is growing so much faster than that of the United States.”

This is usually the point when half of the class starts laughing, leaving me 10 weeks to explain this fundamental principle to the remaining half.

MBA teaching: I have been teaching the core finance class at Haas since 2014. During that time, I achieved Haas teaching excellence (defined as a *median* score for instructor effectiveness greater than 6) in every section I ever taught. The respective means in the last sections in 2016 were 6.29/7 and 6.16/7, well above the typical mean for core classes. This teaching success has also been rewarded by the 2017 Poets and Quants “Top-40 under 40” award, an award for the

top 40 business school professors under 40.

Undergraduate teaching: Most of my teaching since arriving at Haas in 2008 has been at the undergraduate level, where I have been teaching UGBA 103 “Introduction to Finance.” I tend to receive very encouraging feedback via emails from many of my students even years after I taught them (see also a representative sample **online**). Since some of this direct feedback comes from students expecting a recommendation letter at some point, I am particular fond of feedback from students communicated via third parties, such as David Robinson, lecturer at Haas.

“Dear Prof. Opp, because I teach the Intro course, all Haas Ugrads have had me as their teacher at one time or another, so I get to know a lot of students. Idle chatter often leads to comments on how the current Haas Ugrads are liking their required courses. Of course, this is sometimes whines and complaints. However, I’m compelled to write and say that more than half-a-dozen students have told me how much they are enjoying Finance this semester, how much they are learning in a few weeks and above all, how well organized your approach to teaching is. It just seems that things are going very well. In admiration, Dave Robinson.”

| Semester | Rank | Mean | Median |
|----------------------|-----------|-------------|----------|
| Fall 2006 | 1 | 6.20 | 6 |
| Fall 2010 | 2 | 5.84 | 6 |
| Spring 2012 1 | 3 | 5.63 | 6 |
| Spring 2012 2 | 4 | 5.56 | 6 |
| Fall 2007 | 5 | 5.47 | 6 |
| Spring 2011 | 6 | 5.45 | 6 |
| Spring 2011 | 7 | 5.43 | 5 |
| Spring 2010 | 8 | 5.20 | 5 |
| Spring 2014-2a | 9 | 5.07 | 5 |
| Spring 2013 | 10 | 5.06 | 5 |
| Fall 2009 | 11 | 5.05 | 5 |
| Fall 2008 | 12 | 5.04 | 5 |
| Spring 2014-1b | 13 | 5.01 | 5 |
| Fall 2011 | 14 | 4.97 | 5 |
| Spring 2013 | 15 | 4.91 | 5 |
| Spring 2014-2b | 16 | 4.91 | 5 |
| Fall 2011 | 17 | 4.89 | 5 |
| Spring 2009 | 18 | 4.89 | 5 |
| Spring 2014-1a | 19 | 4.61 | 5 |
| Fall 2012 | 20 | 4.13 | 4 |
| Spring 2008 | 21 | 4.07 | 4 |
| Fall 2012 | 22 | 3.60 | 4 |
| Spring 2007 | 23 | 3.49 | 3 |

Table 1. Ladder faculty ratings in the category “Instructor Effectiveness” for “Introduction to Finance” UGBA 103 in all 23 sections taught since Fall 2006. Sections taught by me are highlighted in bold. The mean score for instructor effectiveness is 4.98 (across all 23 sections).

My teaching evaluations in the category “instructor effectiveness” demonstrate teaching excellence, i.e., medians of 6 in every single section that I taught after 2009. I have assembled a list of all student evaluations in the category “instructor effectiveness” for UGBA 103 since the Fall of 2006 for all sections taught by ladder faculty, a total of 23 sections. Comparing myself against other teachers of the same course allows me to control for various features of the course that an instructor should not be held responsible for, i.e., the large section size (up to 300 students), the inconvenient classroom, and the diversity of student backgrounds.

The results suggest that the course is indeed difficult for an instructor: Despite the fact that multiple sections were taught by the most successful Finance teachers at Haas (winning various Cheit teaching awards), the average “instructor effectiveness” score over 23 sections is just 4.98.¹ Even in my first two years of teaching after graduate school (Fall 2008, and Fall 2009), I thus achieved *relatively* solid means of 5.04 and 5.05 (and medians of 5). In my final two years of undergraduate teaching (Fall 2010, and 2 sections in Spring 2012) I did, relatively speaking, *very well* with scores ranging between 5.56 and 5.84 (medians of 6), making these sections rank #2, #3, and #4 over all 23 sections.

I truly enjoy teaching undergraduates, as I have been blessed with remarkable students that I am still in contact with, such as Chris Hammond (now LLM student at Berkeley). I have also been able to place two of my students successfully into world-class Ph.D. programs. Jae Hyen Chung got admitted into the University of Chicago, Econometrics program in 2013 and Yang Liu got admitted into the University of Pennsylvania program, Economics program in 2011.

Ph.D. teaching: In spring 2011, I co-taught a Ph.D. topics course together with William Fuchs in which we analyzed the “Economics of crisis.” We built this course from scratch (see syllabus Ph.D.297T) and tried to give students an overview of classical and recent papers on banking crises, currency crises, debt crises, and liquidity crises. The course went well in many respects (my median: 6, mean: 6.1). I also became acquainted with a student from the math department, John Zhu (now assistant professor of Finance at Wharton), a subsequent co-author on the paper “Impatience vs. Incentives.” Since 2015 I have been teaching the Corporate Finance Theory course at Berkeley. Again, the feedback was very positive with means above 6 every time I have taught it.

¹ Only one instructor (Richard Stanton) achieved a mean above 6 dating back to the Fall of 2006.