

MBA students bullish on economy and \$30,000 investment program

by Chip Pearsall
Staff Writer

Michael Rice, assistant professor of business administration, and 20 of his students are bullish on the American economy.

They have to be. They've got \$30,000 at stake in the stock market.

The students, all graduates in the master's of business administration (MBA) program, are finding out about investments in a simple, practical way. They invest.

And if they are successful, it can mean cash for a local charity.

A trust fund set up in 1952 for UNC by Charles H. Babcock, one of the founders of Reynolds Securities, Inc., of Winston-Salem, enables the students to buy and sell stocks, bonds and stock options as part of the portfolio management course Rice teaches.

Rice said Monday that the fund, officially known as the Reynolds Student Investment Trust Fund, was established to promote competition between the business departments at UNC and Duke University. Each school was given \$10,000 to begin its investment portfolio.

"Mr. Babcock wanted to promote competition other than athletic competition between the two universities when he established the fund," Rice said. "The last time I heard unofficially, we were way ahead."

The competition is based on the total profits made on the portfolio, including dividends and price appreciation from stocks, and interest from bonds.

The UNC portfolio now stands at \$30,000, Rice said.

Jose Espejo, assistant professor of business administration at Duke, said the portfolio there is valued at \$13,000 or \$14,000.

"The portfolio is not being managed right now," Espejo said. "It was taken over by an undergraduate seminar in September, but that seminar ended when the session ended." Espejo, who taught the seminar, added that investment was only a small part of the seminar, and only a small profit was made on the portfolio.

"Obviously, we're not on a competitive basis (with UNC) right now," Espejo said. "The fund is available for any students who are interested in working with it."

Even if there is no real competition between the two universities now, the competition within Rice's class is keen.

Rice divided his class into four five-member teams. Only one team works with the trust fund money, and Rice negotiates that team's decisions with the Reynolds Securities, Inc., office in Raleigh. The other teams' decisions are filed.

Each team, however, assumes that it is working with the \$30,000.

The teams meet informally to discuss strategy and decide which stocks to buy and sell. John Picone, a member of a team called Kamkorp, said that it is sometimes hard to decide when to buy and sell.

"Everybody has a few stocks they particularly like, and sometimes it's hard to let one go," Picone said. "Generally, though, everybody is pretty agreeable."

Each group member researches individual stocks, using information from financial services available in Wilson Library.

When the teams—the Old Well Equity Fund, the Sinking Fund, Optional Release and

Kamkorp—have made their decisions, they meet individually with Rice to plan future investments and sales. Formal meetings are held every month for three hours. There, two groups, which represent the board of directors of a company, report to the class.

"We usually do it up pretty nicely at our formal meetings," Rice said. "The students dress up, and we meet in one of the more formal conference rooms."

A guest from the business community sits in to evaluate the presentations and talk about his firm's economic outlook.

The overall situation in the portfolio management class is realistic, Rice said. "The students have the same information that investors and portfolio managers in the business world have, and they make their decisions on the basis of this information."

Portfolio managers are persons who decide what to buy and sell in a collection of investments for a business institution. Rice said many of his students aspire to become portfolio managers.

"It's a very exciting profession. You're making

decisions about large sums of money; in fact, millions of dollars. If you do well or if you do badly, it's apparent in dollar terms. It's definitely a profession for aggressive and independent-minded people.

"There's always a benchmark to measure your success by, and that's the level of the market."

Rice said that, over the past five years, the UNC portfolio has performed better than the market as a whole, indicating that the students "have been pretty skillful at what they're doing."

And from that success, half the total profits each year are donated to the Community Chest. Since 1952, more than \$20,000 has been given. Other profits remain in the portfolio for future classes.

The Community Chest donation is an incentive for the class. "If nothing was done with the portfolio," Rice said, "there wouldn't be much reason for the students to do well, except for their own satisfaction."

Rice did his undergraduate and master's work in business administration at Florida State University, completing his Ph.D. at UNC in 1975. He has taught here since 1974.

Spring fever

It will be clear and warm today with a high in the mid 60s and no chance of precipitation. Last night's low was about 35.

The Daily Tar Heel

Serving the students and the University community since 1893

Friday, February 11, 1977, Chapel Hill, North Carolina

South Florida Tickets

Students may still obtain tickets for the South Florida game. The ticket office will open at 8:30 a.m.

Please call us: 933-0245

11 positions to be filled by Assembly

Board members to be selected

by Tony Gunn
Staff Writer

The process of selecting persons to fill 11 positions on the 32-member University of North Carolina Board of Governors has begun in the N.C. General Assembly.

The University of North Carolina Board of Governors dictates policy and draws up budget requests for the 16-campus University system.

Two committees in the legislature, the University Board of Governors Nominating Committee in the House and the University Board of Governors Committee in the Senate, will be accepting nominations for the board through Feb. 28.

When the nominations are completed, the committees in joint session will screen the nominees as to their qualifications, backgrounds, willingness and ability to serve.

Committee nominations will then be placed before a joint session of the House and Senate, where further nominations will be accepted.

All additional nominees will be contacted and asked if they would serve if elected.

The Senate will then elect:

- A woman for an eight-year term.
- One person from a minority race for an eight-year term.
- Two at-large persons for eight-year terms.
- One at-large person for a four-year term.

The House will elect:

- A Republican for an eight-year term.
- Three at-large persons for eight-year terms.
- One at-large person for a two-year term.
- One at-large person for a term expiring June 30, 1977. As this person could only serve about two months, it is as yet undetermined whether this position will be filled.

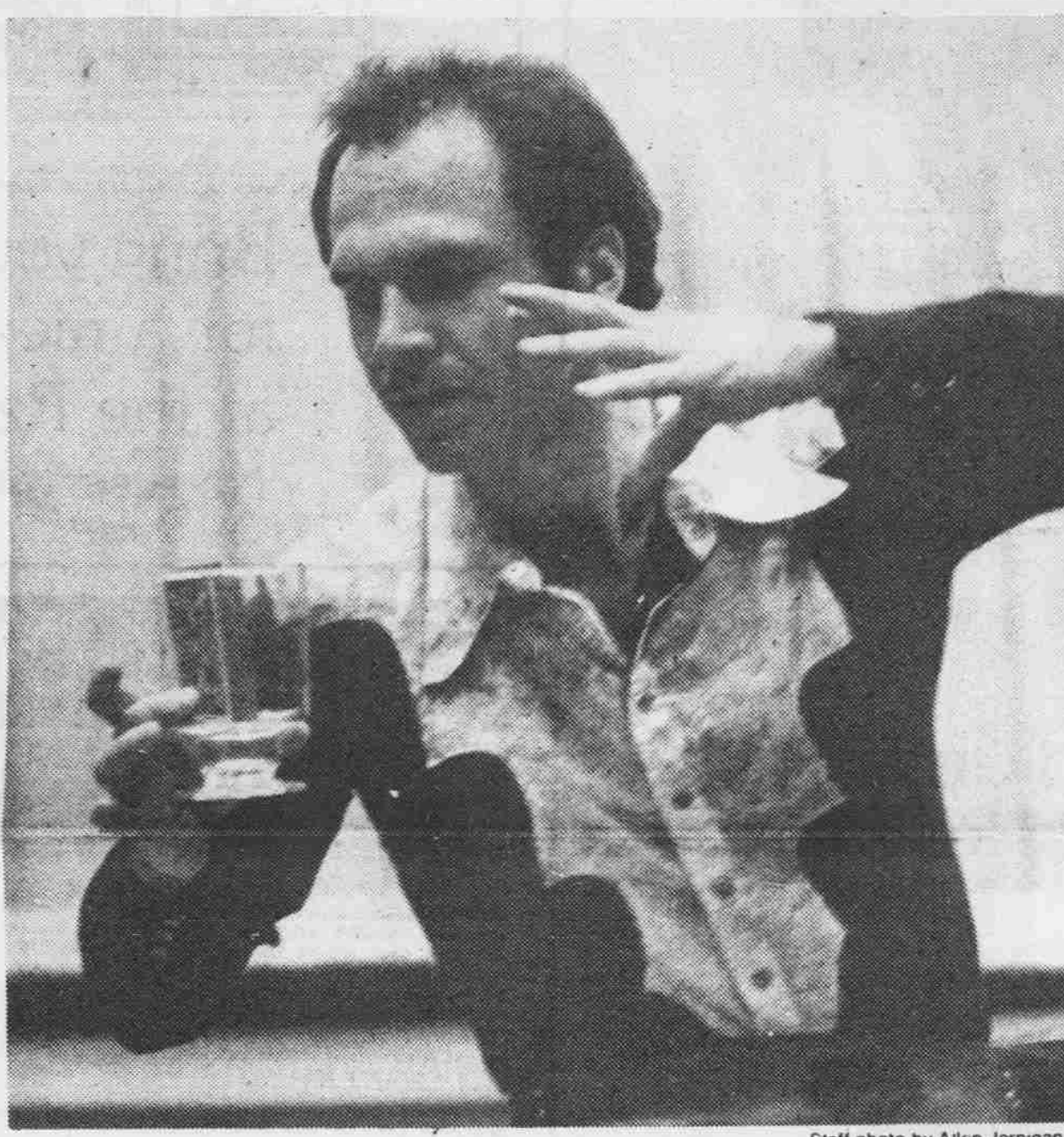
Eight of the 11 positions available are filled routinely every two years. The other three are due to resignations.

This procedure has been very successful since its inception in 1973, said John L. Sanders, vice president of planning for the UNC General Administration. Because the members are elected by the legislature, he said, they deal with problems with a statewide view. The members are not selected because of where they live in the state.

At least four incumbents have already been nominated: State Democratic Chairperson Betty McCain of Wilson; Wallace Hyde of Asheville; Thomas J. White Jr. of Kinston; and Maceo A. Sloan of Durham.

Other present board members eligible for reelection are George Watts Hill of Durham; Victor S. Bryant of Durham; and Reginald F. McCoy of Laurinburg.

Other nominations include Harvey A. Jonas Jr. of Lincolnton; George R. Little Jr. of Elizabeth City; Clint Newton of Shelby; John S. Vaughan of Woodland; H. L. Riddle of Morganton; Furman P. Bodenheimer of Cary; Lenox Gore Cooper of Wilmington; Adolph L. Dial of Pembroke; Victor W. Dawson of Fayetteville; Grace Smith Epps of Lumberton; and Charles Flack Jr. of Forest City.



Staff photo by Allen Jernigan

Pegasus Theatre Troupe will perform at 8 p.m. today and Saturday in Hill Hall Auditorium. The program is entitled "Reflections In Flight." Pegasus has been showing some of its tricks this week in the Union.

Pegasus: mime and magic traveling in medieval tradition

by Phred Vulture
Staff Writer

It is by Edict of this critic that one troupe of traveling players hereinafter known as Pegasus shall be received with all Honor and Dignity in this Area, as befits their high Status and great powers of Amusement.

Pegasus is indeed deserving of great medieval honor. Probably the smallest troupe (two) that can qualify as such, they are currently bringing Renaissance-era highjinks to the UNC area. David Avadon and Jeanette Triomphe, the members of Pegasus, have been miming and magicking their way around the campus since Monday, not to mention performing for their supper

each night in assorted residence halls. In addition to these delightful spot appearances, they scheduled three formal performances: If you missed their *medicine show* Thursday they are also giving two performances of "Reflections In Flight," a blend of theater and dance that explores the tribulations of coming of age.

Pegasus is an outgrowth of Avadon's performing experiences of the early '70s, during which time he hitchhiked around the country performing at assorted colleges and universities. Chapel Hill was one of his stops on that first tour; he and the campus have mutually fond memories. With Pegasus he is attempting to recreate some of the minstrel spirit of the Middle Ages. The troupe, which

Miller, Moss enter runoff; other tallies announced

by Karen Millers
Staff Writer

Bill Moss will face Mark Miller in the runoff for student body president Feb. 16. A recount Thursday showed that Moss had a slim edge of 19 votes over third-place contender Tal Lassiter.

Miller took a clear lead with 1,751 votes to Moss' 1,302 and Lassiter's 1,283, but he fell short of the majority needed for a win.

The first count Wednesday night put Lassiter ahead of Moss by 16 votes. Election Board Chairperson Craig Brown said an error on the tally sheets widened Lassiter's margin by another 50 votes. However, arithmetical mistakes were then found which showed that Moss passed Lassiter by 19 votes.

Lassiter and Moss were not aware of the switch until about 12:30 p.m. Thursday. Lassiter said. But Lassiter did not ask for a third recount.

"I have enough confidence in Craig to think he did it right the second time," he said. Lassiter said he is "most enthusiastically" giving his support to Moss.

"I'm not only giving him my support," he said, "but I'll be campaigning door-to-door for him."

Moss said he felt he had taken the runoff position Wednesday night because his manager made an unofficial recount.

"But it was still very much a waiting

game," Moss said. He said he had expected a runoff would be necessary.

"Even if just the three of us had run, I didn't see any way that any of us could get a majority," he said.

Moss said he expects a very tight race next week, but he is glad he will be running against Miller.

"It will be a clear confrontation between the old and the new," Moss said. He explained that he felt Miller would continue the programs that have been started, while his own administration would open up Student Government and bring about changes.

Miller said that he does want to continue some programs that he considers good, but that he also wants to add "some new and innovative ideas."

"I would like to see a mixture of the two," he said.

Miller's strongest areas were James and Morrison, and he led in several of the dorm polling places that had a smaller turnout of voters. He took Granville, followed closely by Lassiter.

Moss led at the Y-Court, and Lassiter took a wide lead at Parker.

In other campus-wide elections, the constitutional amendment granting the *Daily Tar Heel* separate funding passed by a margin of over four to one. The amendment guarantees the *Daily Tar Heel* 16 per cent of student fees appropriations yearly and

establishes a board of directors to serve as publisher of the paper.

Bain Jones won overwhelmingly as Residence Hall Association president, and David Royle led over Gary Mason in the race for Carolina Athletic Association (CAA) president. However, Royle failed to win a majority, so he will face Mason in a runoff.

David Hackleman won on write-in votes for Graduate and Professional Student Federation president.

The races for senior class officers required only a plurality of votes. Jeff Price and Doug Markham captured the positions of president and vice president, respectively. Mary Jo Southern won as secretary and Jon Sasser took the office of treasurer on write-in votes.

Winners in the contests for Campus Governing Council seats are the following:

District 1, Jay Clark; District 2, David Hackleman; District 3, Glenn Peck; District 5, Darius Moss; District 7, Diane Schafer; District 8, Gus Lehouck; District 9, Barbara Huffman; District 10, Gordon Cureton; District 11, K. B. Kelley; District 12, Sonya Lewis; District 13, Chip Cox; District 14, Bob Long; District 15, Betsy Lindley; District 20, Kim Jenkins.

District 4 and 16 through 19 will have runoffs between write-in candidates.

Polls will be open Feb. 16 from 10 a.m. until 7 p.m. for the runoff elections.

New DTH editor

Porter assesses win

by Toni Gilbert
Staff Writer

For a weary but happy Greg Porter, the long campaign for editor of the *Daily Tar Heel* is over. It ended at 11:30 Wednesday night when the final votes from Connor Dorm were counted, giving Porter 52 per cent of the vote and victory.

The official tabulation gave Porter 2,725 votes. Sam Fulwood received 1,371 votes and Mike York, 1,105.

Now he can relax, wind down and begin work on the transition, he said Thursday, and his long-neglected studies.

What does the new editor attribute his victory to?

"I've tried to figure out, looking back, what we did that made me win, but I can't isolate any one thing," Porter said.

"We just had a lot more people working for us in the dorms," he explained. "We had local people in the dorms passing out campaign literature, so the voter would get something from a friend, not just someone who knocked at his door."

But he attributed his success to the people who worked for him as well as to his personalized campaign.

"We had people working who knew politics but weren't politicians," he explained. "We had something to say and we got it across."

Porter said he thinks that the *Daily Tar*

Heel's endorsement helped, as well as his name being placed first on the ballot.

Early campaign organization also helped, he said.

"I started back in November, and by Christmas time we had a fairly broad organization lined up," he explained. "We had solidified and recruited (campaign workers) by then, and after we came back from vacation we were ready to roll."

Porter said the "Meet the Candidates" meetings sponsored by the Union Current Affairs Committee were not particularly beneficial.

"The turnout (at the meetings) was generally low and hampered the campaign because we could have met a lot more people in the same time," he said, adding that some of the meetings did have good attendance.

Porter said he would not reveal the names of his new editorial staff, but said he is considering reorganizing the news editor's position so one person would not be burdened with so many responsibilities at one time.

As for other changes, Porter said, "Basically what you have to do in any situation is fit the structure of the organization to the people, not fit them (people) into little holes."

He said that he will search for the strong and weak points of his organization and "set up an organization that will maximize the strengths and minimize the weaknesses."



The traditional cupid is a product of Roman fantasy, but this one seems to be Greek. He is actually a participant in last year's Chi Psi/Kappa Kappa Gamma Valentine's parade of

local kiddies. The parade this year will begin at 2 p.m. Sunday on Franklin Street near the statue of Silent Sam.