



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline **Part A**

Business

Program: Continuing Education

Option:

FMGT 2820

Investment and Risk Management

Hours/Week: 3

Total Hours: 36

Term/Level:

Lecture:

Total Weeks: 12

Credits: 3

Lab:

Other:

Prerequisites

FMGT 2820 is a Prerequisite for:

Course No.

Course Name:

Course No.

Course Name

Course Goals

Course Description

The first part of the course introduces the student to an overview of the Canadian economy and the relationship between the stock market and economic activity. The most widely held theory which attempts to explain broad movements in the securities markets is built upon the hypothesis that changes in the business cycle create changes in the securities market. Consequently, an understanding of the business cycle and an ability to forecast the direction of business activity is the prerequisite first step in investment analysis.

The second portion of the course deals with the flow of funds and bond investments. This section will cover the fundamental types of bonds and a study of factors which affect the price of bonds. The last portion of this section examines portfolio management as it relates to fixed income securities and discusses the various financial institutions which provide and manage debt securities.

The third step in investment and risk management is an examination of the nature of common and preferred shares and the markets in which these instruments trade. Included in this discussion will be the following topics.

- the rights of shareholders
- the trading of common shares
- listing requirements
- trading arrangements and brokerage firms
- the analysis of common stock

Special situations and exotic investments such as warrants, convertibles and options will be introduced at this time.

The final section of the course covers portfolio strategies, alternative investment vehicles and the thorny issue of the measurement of performance. It is rudimentary that a risky portfolio should carry a high return; how much higher than the average return it should be is an important and difficult question to answer. The purpose is to introduce various strategies and discuss their implementation. As well, for the investor who does not have the time or the expertise to handle his/her own investments, mutual funds will be examined.

Evaluation

Mid-term Examination	40%
Final Examination	40%
Group Project and Report	<u>20%</u>
TOTAL	100%

Course Outcomes and Sub-Outcomes

The purpose of the course is to teach the student how to manage investment money in order to derive maximum benefit at identifiable and acceptable levels of risk. To accomplish this, it is necessary to learn what alternatives are available and which investments will remain with the investors when new opportunities become available. As a result of this dual purpose, the course is a mixture of description and theory. The descriptive material involves a discussion of available investment instruments and considers how the capital markets work, while the theoretical portion takes into consideration the evaluation of current investments and future investment opportunities.

Course Record

Developed by: _____ Date: _____
Instructor Name and Department (signature)

Revised by: _____ Date: _____
Instructor Name and Department (signature)

Approved by: _____ Start Date: _____
Associate Dean (signature)



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline Part B

Business

Program: Continuing Education

Option:

FMGT 2820
Investment and Risk Management

Effective Date

Spring 1998

Instructor(s)

Office No.:
Office Hours:

Phone:

Text(s) and Equipment

Required:

1. How to Invest in Canadian Securities. A Canadian Securities Institute Publication. (Current Edition).
2. The Financial Post newspaper, or
3. The Globe and Mail newspaper
4. Basic calculator

Recommended: (as reference texts):

Bodie, Z., Kane, A., Marcus, A., and Ryan, P. (1993). Investments, First Canadian Edition
Richard D. Irwin Inc.

Hatch, J.E. (1989). Investment Management in Canada. (Second Edition) Prentice Hall

Assignment Details

The table on the next page shows the chapter numbers and pages from the textbook "How to Invest in Canadian Securities," a Canadian Securities Institute Publication, 1997 Edition, to study for each week. It is recommended that you pre-read the pages for each week prior to attending that class, to provide you with the appropriate background information for that evening and to enhance discussion of the topics. Daily reading of a financial newspaper such as the Financial Post or the Globe and Mail should also become part of your study plan.

Week/ Session	Outcome/Material Covered	Chapter	Pages
1	Introduction and an Overview of the Canadian Economy	Preface	i-ii
2	Business Cycle Analysis and Introduction to Group Project	Lecture	Notes
3	Canada's Capital Market and the Flow of Funds	1	1-8
4	Long Term Bonds and Bond Evaluation	3	25-65
5	Bond Investment Strategies and 5 minute Oral Presentations	Lecture	Notes
6	MID-TERM EXAMINATION		
7	Nature of Common Shares and Security Firms	2 4 7	9-24 67-72 143-160
8	Analysis of Common Shares and Financial Statements	4	85-100
9	Preferred Shares, Warrants, Convertibles and Options	4 5	72-84 101-127
10	Investment Funds and Portfolio Strategies	6 8	129-142 161-189
11	Guest Presentation		
12	FINAL EXAMINATION		