



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Finance

FMGT4611
Security Analysis 2

Start Date:	January 2005	End Date:	May 2005								
Total Hours:	80	Total Weeks:	20	Term/Level:	4A&B	Course Credits:	5.5				
Hours/Week:	4	Lecture:	2	Lab:	2	Shop:		Seminar:		Other:	
Prerequisites						FMGT4611 is a Prerequisite for:					
Course No.	Course Name					Course No.	Course Name				
	FMGT 3610										

v **Course Description (required)**

The primary objective of the course is to impart to the students the principles of investment and the rules and regulations of the investment industry in Canada.

This course is part two of BCIT's offering of the Canadian Securities Institute's (CSI) Canadian Securities Course™ (CSC) and Conduct & Practices Handbook (CPH) course. As such, the course is designed to convey to those who are enrolled in it the fundamentals of investing. It includes a study of the nature and function of the stock market, the framework essential to valuing common shares and fixed income securities. In addition, portfolio management, taxation, asset allocation and economic forecasting are discussed. The latter part of the course will study the rules and regulations making up the securities market in Canada. Note, there is an extra fee of approximately \$500 (plus text and GST) to enroll with CSI for the CPH course. This fee includes the exam and access to the CSI website (fees are subject to change).

v **Evaluation**

Final Examination	50%
Midterm	30%
Weekly Assignments & Quizzes	20%
TOTAL	100%

Comments: The mark for your final exam will be a weighted average of the marks you receive for the CSC Exam I (40%), CSC Exam II (30%) and the CPH Exam (30%).

NOTE: You must pass both of the CSC exams (Vol 1 and Vol 2) and write the CPH with the CSI in order to pass FMGT 4611.

v **Course Learning Outcomes/Competencies**

Upon successful completion, the student will be able to:

- Discuss the structure of capital markets and their function within the Canadian economy.
- Analyse the role of the Bank of Canada and various regulatory agencies in the financial markets.
- Analyse financial statements.
- Discuss the business cycle, inflation, interest rates, fiscal policy and monetary policy in the context of Canadian capital markets.
- Understand the nature of marketable securities and the factors which influence their price.
- Discuss the various methods employed to evaluate the worth of a marketable security.
- Understand the operation of stock exchanges and various financial institutions as well as the regulatory framework within which these institutions operate.
- Discuss basic financial planning and tax issues with respect to a portfolio of investments.
- Understand the design and management of a portfolio.
- Understand the rules and regulations of the investment industry.

v **Verification**

I verify that the content of this course outline is current.

Larry Stubbs
Authoring Instructor

December 15, 2004
Date

I verify that this course outline has been reviewed.

Program Head/Chief Instructor

Date

I verify that this course outline complies with BCIT policy.

Dean/Associate Dean

Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

v **Instructor**

Larry Stubbs

Office Location: SE6-319

Office Phone: 451-6937

Office Hrs.: Posted on Door

E-mail Address: Larry_Stubbs@bcit.ca

v **Learning Resources**

Required:

Canadian Securities Course™ Text and
The Conduct & Practices Handbook

Recommended:

None

v **Information for Students**

Assignments: Late assignments, lab reports or projects will **not** be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.

Makeup Tests, Exams or Quizzes: There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility of the student to inform the instructor **immediately**.

Ethics: BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

Attendance: The attendance policy as outlined in the current BCIT Calendar will be enforced. Attendance will be taken at the beginning of each session. Students not present at that time will be recorded as absent.

Illness: A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated.

Attempts: Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

Course Outline Changes: The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

v **Course Details**

- You must successfully complete Exam I through the CSI before you can write the CSC Exam II.
- Thus, you **must** arrange to write, **and pass, Exam I at the CSI offices by January 4th, 2005.**
- You must **write and pass both CSC Exams (Vol's 1 and 2), as well as write the Conduct & Practices Handbook Exam,(CPH) and submit your marks** to BCIT by the stated deadlines in order to pass Security Analysis II.
- Currently, the plan is for the CPH exam to be written in the final exam period at BCIT. You will be informed of the details for this exam.
- The final exam mark for Security Analysis II will be based on the weighted average of the two CSC exams and the CPH exam.

- You **must** submit the results of **all** of your CSI exams to your Instructor, who will log the weighted average of these marks for your final exam for Security Analysis II. Your results for **all three** of your exams **must** be submitted to your instructor **by May 20th, 2005** for you to receive credit for Security Analysis II.

Schedule

* This schedule is subject to change at the discretion of the instructor.

Week of	Material to be Covered	Chapter Readings
Jan 3 rd	Analyzing Markets and Products	Chapter 8
Jan 10 th	Analyzing Markets and Products	Chapter 8
Jan 17 th	The Portfolio Approach	Chapter 9
Jan 24 th	The Portfolio Approach	Chapter 9
Jan 31 st	Mutual Funds	Chapter 10
Feb 7 th	Mutual Funds	Chapter 10
Feb 14 th	Other Managed Accounts and Products	Chapter 11
Feb 21 st	Other Managed Accounts and Products	Chapter 11
Feb 28 th	Hedge Funds	Chapter 12
Mar 7 th	Midterm Exam Week	
Mar 14 th	SPRING BREAK	
Mar 21 st	Financial Planning & Taxation	Chapter 13
Mar 28 th	CPH Course Material	Section I
Apr 4 th	CPH Course Material	Section I
Apr 11 th	CPH Course Material	Section II
Apr 18 th	CPH Course Material	Section II
Apr 25 th	CPH Course Material	Section III
May 2 nd	Ethics	
May 9 th	Ethics	
May 16 th	Final Exam on the CPH – To be administered at BCIT by the CSI (date and details TBA).	

Exam on Book 1 – Administered by the CSI: It will be your responsibility to arrange with the CSI to write, **and pass**, their exam at their offices by January 4^h, 2005 in order for you to receive the CSI Assignment for Security Analysis II.

Exam on Book 2 – Administered by the CSI: Tentatively, we are arranging for the CSI to administer this exam **at BCIT after Spring Break, on Wednesday March 23, 2005**. If this cannot be arranged, it will be your responsibility to write the CSC Exam 2 at their offices by March 30th, 2005.

Exam on Conduct & Practices Handbook – Administered by the CSI: Tentatively, we are arranging for the CSI to administer this exam at BCIT by the final exam week. If this cannot be arranged, it will be your responsibility to write the CPH exam in order for you to submit your mark **IN TIME** for the calculation of your final mark for Security Analysis II.

Ensure that you have proper photo ID and your CSI student number to write the CSI exam