



**BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY School of Business**

<b>COURSE OUTLINE FOR: SECURITY ANALYSIS I</b> <b>TAUGHT BY: School of Business</b> <b>Program: Financial Management</b>	<b>FMGT3610</b> <b>TAUGHT TO: Corporate Finance</b> <b>Option : Finance</b>
--------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------

<b>Hours/Week:</b> <i>Lecture:</i> 2 <i>Lab:</i> 2 <i>Other:</i>	<b>Total Hours:</b> 60  <b>Total Weeks:</b> 15	<b>Term/Level:</b> 3  <b>Credits:</b> 4
---------------------------------------------------------------------------	------------------------------------------------------	-----------------------------------------------

Instructor: **Carol Edwards**  
 Office No. SE6-379  
 Office Hours: **AS POSTED**

Phone: 451-6751  
 Fax: 439-6700

**Pre-requisites:** First Year Financial Management

**Course Description and Goals:**

This course is part one of BCIT's offering of the *Canadian Securities Course*™ (a registered trademark of the Canadian Securities Institute (CSI)). As such it is a course of study which 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 purpose of the course is to prepare the student to successfully complete the Canadian Securities Course™ final exam. The primary objective of the course is to impart to the students the principles of investing.

**Evaluation:**

Final Examination	50	%	
Midterm	30	%	
Quizzes	15	%	
Assignment	5	%	
<b>Total</b>	<b>100</b>	<b>%</b>	



### Course Learning Outcome

*At the end of this course, 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.

### Course Record:

Developed by:	<u>Carol Edwards</u>	Date:	<u>August 1998</u>
	<b>Instructor</b>		
Approved by:	<u></u>	Date:	<u></u>
	<b>Associate Dean (signature)</b>		

### Text(s) and Equipment

**Required:** Canadian Securities Course™ Text

### Course Notes (Policies and Procedures)

- **Assignments:** Late assignments or projects will not be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.
- **Attendance:** The attendance policy as outlined in the current BCIT Calendar will be enforced.
- **Course Outline Changes:** The material specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.
- **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.
- **Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects or exams. At the discretion of the instructor, you may complete the work missed or have the work prorated (i.e. an average is given according to your performance throughout the course).
- **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.
- **Labs:** Lab attendance is mandatory.



### Assignment Details:

The Canadian Securities Course™ includes two assignments. The first one will be completed in Security Analysis I, and the second will be completed in Security Analysis II, which starts in January, 2000:

- You must complete both assignments on your own and they will be delivered by BCIT to the CSI for marking by their staff.
- The CSI requires every student to complete the assignment on an individual basis and submit them for marking by the CSI. Any student who does not submit his/her assignment to the CSI by its due date will automatically be terminated from the Canadian Securities Course™. Students who wish to re-enrol must pay the full enrolment fee.
- Details of how to complete and submit the assignments to the CSI will be discussed in detail in class.
- **Assignment #1** is due at BCIT on Thursday, November 25<sup>th</sup>, 1999. You will receive 5 marks for handing it in on time. Expect Assignment #1 to take at least 25 hours, or more, to complete.
- In addition to the assignments, there will be an in-lab quiz during every week of the course except the first week and the exam weeks. These represent 15% of your mark and are designed to prepare you to write the Canadian Securities Course™ exam. Marks for the quiz are based on attendance only, and attendance at the labs is mandatory. Because each quiz is only worth about 1.5% towards the final mark, there will be no make-up tests if a student misses a quiz, regardless of the reason. Students may miss one quiz, with no penalty.



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

Week of	Material to be Covered	Chapter Readings
Sept. 6 <sup>th</sup>	Introduction to capital markets	Chapter 1
Sept. 13 <sup>th</sup>	Financial markets and the securities industry. Business structures.	Chapter 1 Chapter 2
Sept. 20 <sup>th</sup>	Analyzing financial statements.	Chapter 3
Sept. 27 <sup>th</sup>	Analyzing financial statements continued.	Chapter 3
Oct. 4 <sup>th</sup>	The Canadian economy.	Chapter 4
Oct. 11 <sup>th</sup>	Fixed income securities.	Chapter 5
Oct. 18 <sup>th</sup>	Midterm Week.	
Oct. 25 <sup>th</sup>	Preferred Shares.	Chapter 6
Nov. 1 <sup>st</sup>	Common Shares.	Chapter 6
Nov. 8 <sup>th</sup>	Investment funds.	Chapter 7
Nov. 15 <sup>th</sup>	Derivatives.	Chapter 8
Nov. 22 <sup>nd</sup>	Derivatives continued. <i>Assignment #1 due at BCIT and at the CSI.</i>	Chapter 8
Nov. 29 <sup>th</sup>	Final Exam Review.	
Dec. 6 <sup>th</sup>	Final Exam Week.	

	TENTATIVE SCHEDULE FOR SECURITY ANALYSIS II	
Jan. 3 <sup>rd</sup>	Analyzing marketable securities.	Chapter 9
Jan. 10 <sup>th</sup>	Analyzing marketable securities continued.	Chapter 9
Jan. 17 <sup>th</sup>	Financing, listing and regulation.	Chapter 10
Jan. 24 <sup>th</sup>	Financial planning and taxation issues.	Chapter 11
Jan. 31 <sup>st</sup>	Review and Midterm.	
Feb. 7 <sup>th</sup>	Financial planning and taxation issues continued.	Chapter 11
Feb. 14 <sup>th</sup>	Portfolio management.	Chapter 12
Feb. 21 <sup>st</sup>	Portfolio management continued. <i>Assignment #2 due at BCIT and at the CSI</i>	Chapter 12
Feb. 28 <sup>th</sup>	Final Exam Review.	
Mar. 6 <sup>th</sup>	Final Exam – Administered by the CSI.	