


**BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY**
*School of Business*
*Program: Financial Management*
*Option: Finance*
*Course Outline for:*
**FMGT3610**
*Security Analysis*
*Date: August 1997*


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

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**Instructor**

Carol Edwards      Office No: SE6-319      Phone: 451-6937

Office Hours      Monday      Tuesday      Wednesday      Thursday      Friday  
TBA

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**Prerequisites**

First Year Financial Management

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**Course Description and Goals**

This course is the Canadian Securities Institute's Canadian Securities Course. As such it is a course of study which is designed to convey to those who are enrolled in it the fundamentals of investing. The course 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 investments.

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**Evaluation**


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Final Examination	40 %
Midterm Tests	20 %
Quizzes	25 %
Assignments	15 %

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### Course Learning Outcomes

- Gain an understanding of the important considerations surrounding the suppliers and users of capital and be able to describe the nature and purpose of capital markets and the financial services industry.
- Describe the role of financial instruments, markets and intermediaries and be able to characterize the securities industry, as well as the regulatory environment in which it operates.
- Describe the process, advantages and disadvantages of incorporating.
- Understand financial statements and perform a financial analysis of their content.
- Describe the salient features of the Canadian economy with special emphasis on the exchange rate, monetary and fiscal policy and the more common indicators of economic performance.
- Identify the primary features of fixed income and equity securities and the mechanics of securities trading.
- Understand the types, characteristics, rights, advantages and pricing principles of various securities (bonds, debentures, preferred shares and common equity).
- Explain the types and the advantages and disadvantages of mutual fund investing.
- Understand the essential nature of derivatives, including rights, warrants, options and futures.
- Appreciate the factors which play a role in the valuation of financial instruments, including understanding important aspects of the fundamental analysis of common shares and the nature of technical analysis.
- Understand the process companies use to raise capital, including reference to the listing process and the regulatory environment.
- Learn the basic concepts of financial planning, including describing the process of financial planning and the important considerations involved.
- Understand the primary issues in tax planning, including the taxation of investment income and tax strategies and shelters.
- Explain the investment management process involved in constructing an investment portfolio with particular reference to selection and timing.



School of Business  
Financial Management

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#### Course Record

Developed by:	<u>R.J. Dolan</u> Instructor	Date:	<u>August 1995</u>
Revised by:	<u>C. Edwards</u> Instructor	Date:	<u>August 1997</u>
Approved by:	<u>R.J. Dolan</u> Associate Dean	Date:	<u>September 1997</u>

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#### Instructor

C. Edwards

Office No: SE-319

Phone:

Office Hours	Monday	Tuesday	Wednesday	Thursday	Friday
TBA					

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#### Text(s) and Equipment

##### Required:

The Canadian Securities Course Text

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#### Course Notes (Policies and Procedures)

- **Assignments:** Late assignments or projects will not be accepted for marking.
- **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 exam. 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.

**Assignment Details**

The Student is responsible for reading chapters 2 and 3 on his/her own. Though they will not be covered in class, they will be referred to in the assignments and will be tested on the exams.

Included with your CSC text are two assignments which are to be completed as described below:

**Assignment #1** - Due Date: November 4<sup>th</sup> (Early submission October 28<sup>th</sup>, add 15%)

**Assignment #2** - Due Date: November 25<sup>th</sup>

**Method of Completion** - Group Assignment with 3-4 students per team

**Evaluation** - The two assignments are worth 15% of your overall mark, with the marks distributed as follows:

**Assignment 1** - 10%

**Assignment 2** - 5%

Expect the first assignment to require 25 hours to complete.

(NOTE: Do not mail the assignments to the Canadian Securities Institute. Hand them in on the due date for marking by your teacher. )

In addition to the assignments, there will be a quiz in the Monday lab every week except the first one.



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**School of Business**

**Program: Financial Management**

**Option: Finance**

**Schedule for: FMGT 3610**

**Securities Analysis**

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

Week	Topics	Reference /Reading
1	Introduction	Chpt 1, Section 1
2	Users of Capital, Stock Markets, Securities Industry	Chpt 1, Sections 2-5
3	Regulatory Organizations/Clearing Corporations	Chpt 1, Sections 6-8
4	The Canadian Economy	Chpt 4, Parts 1-7
5	Monetary and Fiscal Policy/Fixed Income Securities	Chpt 4, Parts 8-10 Chpt 5, Parts 1-3
6	Bond Trading/Preferred Shares	Chpt 5, Parts 4-5 Chpt 6, Section 1, Parts 1-3
7	Preferred Shares/Common Shares	Chpt 6, Section 1, Parts 4-5 Section 2, Parts 1-3
8	Midterm Exam	Chapters 1-5
9	Investment Funds/Derivatives	Chpt 7 Chpt 8, Part 1
10	Options and Futures/Investment Analysis	Chpt 8, Parts 2-5 Chpt 9, Part 1
11	Fundamental and Technical Analysis	Chpt 9, Parts 2-6
12	Financing and Listing/Financial Planning	Chpt 10 Chpt 11, Part 1
13	Taxation/Portfolio Management	Chpt 11, Parts 2-4 Chpt 12
14	Review for Final Exam	
15	Final Exam	