



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Finance

**FMGT4610**  
**Security Analysis 2**
**Start Date:** January 6, 2003**End Date:** May 23, 2003**Total Hours:** 80 **Total Weeks:** 20**Term/Level:** 4A&B **Course Credits:** 2.5**Hours/Week:** 4 **Lecture:** 2 **Lab:** 2**Shop:** **Seminar:** **Other:****Prerequisites****FMGT4610 is a Prerequisite for:**

Course No.	Course Name
	FMGT 3610

Course No.	Course Name
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### ■ Course Description (required)

This course is part two 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™ exams and assignment. In addition, the course will provide the student with an opportunity to acquire their Conduct & Practices Handbook™ Certificate through the CSI.

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.

### ■ Detailed Course Description (optional)

#### ■ Evaluation

Final Examination	50%
Midterm	30%
Weekly in Class Assignments	15%
Submission of CSI Assignment	5%
<b>TOTAL</b>	<b>100%</b>

**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 the CSC with the CSI to pass FMGT 4610.

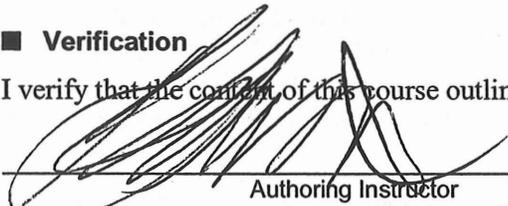
■ **Course Learning Outcomes/Competencies**

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.

■ **Verification**

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

  
\_\_\_\_\_  
Authoring Instructor

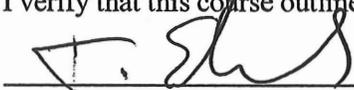
  
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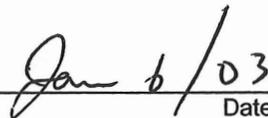
I verify that this course outline has been reviewed.

  
\_\_\_\_\_  
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.

## ■ Instructor(s)

Carol Edwards                      Office Location: SE6-379                      Office Phone: 451-6751  
Office Hrs.:                      Posted on Door                      E-mail Address: Carol\_Edwards@bcit.ca

## ■ Learning Resources

### Required:

Canadian Securities Course™ Text; Conduct & Practices Handbook™

### Recommended:

None

## ■ Information for Students

(Information below can be adapted and supplemented as necessary.)

**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.

## ■ Assignment Details

The Canadian Securities Course™ includes one Assignment, which ***must be*** completed in Security Analysis II, which starts in January, 2003:

- You ***must*** successfully complete Exam I through the CSI ***before*** BCIT can request the CSI Assignment for you.

**Note that you are *required* to complete the CSI Assignment in order to pass Security Analysis II.**

Thus, you ***must*** arrange to write, ***and pass***, Exam I at the CSI offices by **January 8<sup>th</sup>, 2003**. This will allow BCIT to order all the assignments by January 22<sup>nd</sup>, 2003.

***You must write and pass both CSC Exams, as well as write the Conduct & Practices Handbook Exam, and submit your marks to BCIT by the stated deadlines in order to pass Security Analysis II.***

- The CSI ***requires*** every student to complete their assignment on an ***individual basis***. (Copied assignments will be severely dealt with by the CSI.) Thus, you must complete the CSI Assignment ***on your own*** and it will be delivered ***by BCIT*** to the CSI for marking by their staff. Details of how to complete and submit the Assignment to the CSI will be discussed in class.
- The CSI Assignment will be due ***at BCIT***. You will receive 5% of your marks in Securities Analysis II from the assignment. Expect the Assignment to take 45 hours, **or more**, to complete. However, many of those hours will be completed in the labs.
- In addition to the CSI assignment, there will be an in-lab assignment 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™ exams and the Conduct & Practices Handbook™ exam. Marks for these assignments are based on attendance only, and attendance at the labs is mandatory. Because each assignment is only worth about 1% towards the final mark, there will be ***no make-up assignment*** if a student misses an assignment, regardless of the reason. Students may miss one assignment, with no penalty.
- Currently, the plan is for the CPH exam to be written by the final exam week at BCIT. You will be informed of the progress of arrangements for this exam. If it is not possible to complete this arrangement, you will be required to write the CPH exam at the CSI's offices as described below.

The final exam mark for Security Analysis II will be based on the weighted average of the two CSC exams and the CPH exam as administered by the CSI. It will be ***your*** responsibility to arrange with the CSI to write the two CSC exams at their offices by May 16<sup>th</sup>, 2003. Remember that it can take about ***two weeks*** for the CSI to mark your exams.

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 23<sup>rd</sup>, 2003 for you to receive credit for Security Analysis II. (Note: This means you should have written both CSI Exams by May 16<sup>th</sup>, 2003!)**

- All documents and assignments related to this course may be found on Out folder. Look in:

**J: [OUT\FMGT\4610]**

## Schedule

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

Week of	Material to be Covered	Chapter Readings
Jan. 6 <sup>th</sup>	Managed Funds	Chapter 7 & 8
Jan. 13 <sup>th</sup>	Managed Funds	Chapter 7 & 8
Jan. 20 <sup>th</sup>	Derivatives	Chapter 9
Jan. 27 <sup>th</sup>	Derivatives	Chapter 9
Feb. 3 <sup>rd</sup>	Derivatives	Chapter 9
Feb. 10 <sup>th</sup>	Derivatives	Chapter 9
Feb. 17 <sup>th</sup>	Analyzing Markets and Products	Chapter 10
Feb. 24 <sup>th</sup>	Analyzing Markets and Products	Chapter 10
Mar. 3 <sup>rd</sup>	Midterm Exam Week	
Mar. 10 <sup>th</sup>	SPRING BREAK	
Mar. 17 <sup>th</sup>	Financial Planning & Tax	Chapter 11
Mar. 24 <sup>th</sup>	Financial Planning & Tax	Chapter 11
Mar 31 <sup>st</sup>	Portfolio Management & Relationships	Chapter 12 & 13
April 7 <sup>th</sup>	Portfolio Management & Relationships	Chapter 12 & 13
April 14 <sup>th</sup>	CPH Course Material	Chapter 1
April 21 <sup>st</sup>	CPH Course Material	Chapter 2
April 28 <sup>th</sup>	CPH Course Material	Chapter 3
May 5 <sup>th</sup>	CPH Course Material	Chapter 4
May 12 <sup>th</sup>	CPH Course Material	Chapter 5
May 19 <sup>th</sup>	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 8<sup>th</sup>, 2003** in order for you to receive the CSI Assignment for Security Analysis II.

**Exam on Book 2 – Administered by the CSI:** It will be your responsibility to arrange with the CSI to write, and pass, this exam at their offices by **May 16<sup>th</sup>, 2003** in order for you to submit your mark to me **IN TIME** for calculation of your final mark for Security Analysis II.

**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 by **May 16<sup>th</sup>, 2003** in order for you to submit your mark to me **IN TIME** for 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!*

**Downloading the CSI Assignment Update from the internet<sup>1</sup>:**

1. Go to the CSI website at [www.csi.ca](http://www.csi.ca).
2. Select STUDENT SERVICES and then select ACADEMIC SUPPORT WITH COURSE UPDATES.

You will have to provide your CSI Student Number and your Password to log onto the Academic support site. The CSI sent you a letter with this information when you registered for the Canadian Securities Course.

If you do not have this information, I cannot help you. You have two choices: call the CSI's offices at 647-5958 and ask them for the information or get a classmate who has downloaded the Update to give you a copy. (The latter is probably the easier choice!)

3. Select GO TO COURSE UPDATES and then scroll down until you find the information relating to your assignment. Use your mouse to select this information and choose EDIT/COPY from the menu. Then switch to MS-Word and PASTE the data into a Word document for printing.

**YOU WILL NEED THE INFO IN THIS UPDATE TO  
COMPLETE YOUR ASSIGNMENT CORRECTLY!**

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<sup>1</sup> If these instructions have changed since this course outline was prepared, please let me know ASAP!!!