

*School of Business***COURSE OUTLINE FOR: SECURITY ANALYSIS II****FMGT 4610****TAUGHT BY:** School of Business
Program: Financial Management**TAUGHT TO:** Finance
Option : Corporate Finance, Financial Planning

| | | |
|--------------------|------------------------|-----------------------|
| Hours/Week: | Total Hours: 36 | Term/Level: 4a |
| Lecture: 2 | | |
| Lab: 2 | | |
| Other: | Total Weeks: 9 | Credits: 2.5 |

Instructor: Carol Edwards
Office No. SE6-379
Office Hours: As posted**Phone:** 451-6751
Fax: 439-6700**Pre-requisites:** First Year Financial Management / Security Analysis I (FMGT 3610)**Course Description and Goals:**

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™ final exam. The primary objective of the course is to impart to the students the principles of investing.

Evaluation:

| | | |
|--|-----|---|
| Final Examination (administered by the CSI) | 50 | % |
| Midterm | 35 | % |
| Quizzes | 10 | % |
| Assignment | 5 | % |
| Total | 100 | % |




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>9-Jan-01</u> |
| | Instructor | | |
| Approved by: | <u></u> | Date: | <u>12/1/01</u> |
| | Associate Dean (signature) | | |

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.



The Canadian Securities Course™ includes two assignments. The second will be completed in Security Analysis II:

- You must complete the assignment on your own. It 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 it 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.
- **Friday, January 19th, 2001 is the designated 3rd Friday** to be used for your portfolio evaluation. Please collect the financial newspapers (ROB and Post) for the period from Tuesday, January 16th until Monday, January 22nd. These papers should contain all the information you require to complete the assignment.
- **Assignment #2** is due at BCIT on Thursday, February 22nd, 2001. Expect Assignment #2 to take at least 15 hours to complete.
- 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 10% of your mark and are designed to prepare you to write the Canadian Securities Course™ exam. Marks for these assignments are based on attendance only, and attendance at the labs is mandatory. Because each assignment is only worth about 1.0% towards the final mark, there will be no make-ups if a student misses an assignment, regardless of the reason. Students may miss one assignment, with no penalty.
- The final exam for Security Analysis II will be the Canadian Securities Course exam, administered by the CSI. It will be your responsibility to arrange with the CSI to write their exam at their offices before Saturday, May 5th, 2001.

You will submit the results of this exam to your Instructor, who will log it as the mark for your final exam for Security Analysis II. **Your results must be submitted to your instructor before May 26th, 2001 for you to receive credit for Security Analysis II.**



*** Schedule for Security Analysis II ***

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

| Week of | Material to be Covered | Chapter Readings |
|-----------------------|---|------------------|
| Jan. 1 st | Canadian Investment Funds | Chapter 7 |
| Jan. 8 th | Financial planning and taxation issues. | Chapter 11 |
| Jan. 15 th | Portfolio management. | Chapter 12 |
| Jan. 22 nd | Derivatives. | Chapter 8 |
| Jan. 29 th | Midterm. | |
| Feb. 5 th | Analyzing marketable securities. | Chapter 9 |
| Feb. 12 th | Analyzing marketable securities. | Chapter 9 |
| Feb. 19 th | Financing Listing and Regulation. <i>Assignment #2 due at BCIT for delivery to the CSI.</i> | Chapter 10 |
| Feb. 26 th | Final Exam Review <ul style="list-style-type: none">• Final Exam – Administered by the CSI: It will be <u>your</u> responsibility to arrange with the CSI to write their exam at their offices before Saturday, May 5th, 2001. Your results <u>must be</u> submitted to your instructor before May 26th, 2001 for you to receive credit for Security Analysis II. <p><i>Ensure that you have proper photo ID if you wish to write the CSI exam!</i></p> | |

Downloading the Assignment A2-O Update from the internet:

1. Go to the CSI website at 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 Assignment A2-O. 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!**