



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

**FMGT 4620**  
**Security Fundamentals****Start Date:** January, 2008**End Date:** March, 2008**Total Hours:** 27    **Total Weeks:** 9**Term/Level:** 4A    **Course Credits:** 2.5**Hours/Week:** 3    **Lecture:** 2    **Lab:** 1**Shop:**    **Seminar:**    **Other:****Prerequisites****FMGT 4620 is a Prerequisite for:****Course No.**    **Course Name****Course No.**    **Course Name**

FMGT 2100 or

FMGT 2105

**Course Description**

This course is designed to convey the nature and function of capital markets, the important features of the instruments which trade in these markets and the factors which contribute to the value of securities. A discussion of derivative instruments and mutual funds will be included. Finally, several financial planning topics, retirement planning and risk management, will conclude the course. A key aspect of the course will be the team management of virtual stock portfolios, results of which will be presented in class near the end of the term.

**Course Learning Outcomes**

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.
- Describe the purpose of investments and appreciate their risks and rewards.
- Explain the workings and mechanics of a stock exchange.
- Identify sources of information on the performance of publicly traded companies.
- Understand the nature of financial assets and the factors which influence their price.
- Discuss the various methods employed to evaluate the worth of a financial asset.
- Describe the nature of derivatives markets and describe the principal derivatives.
- Describe the nature of mutual funds in terms of their advantages, disadvantages and performance.
- Describe the nature of planning for retirement including the retirement planning model and the various sources of retirement income
- Describe the risk management process and the main types of insurance that exist in the marketplace

### Evaluation

|                             |      |
|-----------------------------|------|
| Mid Term Exam               | 40%  |
| Final Exam                  | 45%  |
| Assignment and Presentation | 15%  |
| TOTAL                       | 100% |

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

### • Verification

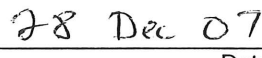
I verify that the content of this course outline is current.

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

  
\_\_\_\_\_  
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.

Tim Edwards   
\_\_\_\_\_  
Dean/Associate Dean

  
\_\_\_\_\_  
Date

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

### Instructor(s)

Rick McCallum

Office SE6 381  
Office Hrs.: To Be Posted

Phone: 604-456-8171  
E-mail: rick\_mccallum@bcit.ca

### Learning Resources

*Required:* Lecture Notes

Access to a daily financial newspaper

Handouts

Virtual Stock Exchange (<http://www.virtualstockexchange.com>)

*Reference(not required):* *Investments – Analysis and Management*, Second Canadian Edition, by W.S. Cleary and C.P. Jones, ISBN 0-470-83542-7, John Wiley & Sons Canada

## 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.

**Lecture Notes and other Information:** Lecture notes will be on Share-Out in the FMGT 4620 folder in advance of the lecture. The notes DO NOT replace attendance at lectures. They are meant to be a complement to lectures. There may also be, from time to time, other information sources on the share out directory that will be required reading.

## FMGT 4620 Course Schedule

*(This course schedule is subject to change at the discretion of the Instructor.)*

| <b>Week # /<br/>Week Beginning</b> | <b>Topic Covered</b>  |
|------------------------------------|---|
| <b>1</b><br>Jan. 3                 | Introduction to the Course<br>Virtual Stock Exchange Game Set Up  |
| <b>2</b><br>Jan. 7                 | Introduction to Capital Markets, Investment Alternatives and<br>How Securities Are Traded<br><br>Corporate Financing (and Prospectuses) |
| <b>3</b><br>Jan. 14                | Fixed Income Securities – Bonds<br><br>Equities – Preferred Stock   |
| <b>4</b><br>Jan. 21                | Equities – Common Stock<br><br>Common Stock (continued), Midterm Review   |
| <b>5</b><br>Jan. 28                | Midterm exam (1 hour)<br><br>Debrief Midterm  |
| <b>6</b><br>Feb. 4                 | Derivatives   |
| <b>7</b><br>Feb. 11                | Investment Funds  |
| <b>8</b><br>Feb. 18                | Retirement Planning<br><br>Risk Management  |
| <b>9</b><br>Feb. 25                | Virtual Stock Group Presentations (Labs)<br><br>Final Exam Review   |
| <b>10</b><br>Mar. 3                | FMGT 4620 Final Exam (2 hours)  |