



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline **Part A**

School of Business

Program: Financial Management

Option: Professional Accounting, Taxation, MicroFinancial

**FMGT 4620****Security Fundamentals**

<b>Hours/Week:</b>	3	<b>Total Hours:</b>		<b>Term/Level:</b>	4a
<b>Lecture:</b>	2	<b>Total Weeks:</b>		<b>Credits:</b>	2.5
<b>Lab:</b>	1				
<b>Other:</b>					

**Prerequisites****FMGT 4620 is a Prerequisite for:**

Course No.	Course Name	Course No.	Course Name
FMGT 2100	Introductory Accounting		
or			
FMGT 2105	Introductory Accounting		

**Course Goals**

1. To understand the fundamentals of securities markets; types of accounts, types of transactions and types of orders.
2. To comprehend the effect of changes of economic activity on the value of marketable securities.
3. To explain the primary approaches employed to the valuation of common equities.
4. To identify the prime contributors to the valuation of fixed income securities.
5. To explain the nature of derivative products and provide examples of their use.
6. To measure and illustrate the importance of mutual fund investments.

**Course Description**

An examination of the nature and purpose of securities markets and an explanation of the important features of the instruments which trade in these markets. Students will gain an appreciation of the factors which contribute to the value of securities, in this connection a review will take place of fundamental and technical analysis. A discussion of derivative instruments and mutual funds will conclude the course.

**Evaluation**

Final Examination	40%
Mid-term Exam	40%
Participation	5%
Project	15%
<b>TOTAL</b>	<b>100%</b>

## Course Outcomes and Sub-Outcomes

1. Describe the purpose of investments and appreciate the risks and rewards of equity investments.
2. Explain the workings and mechanics of a stock exchange.
3. Identify the sources of information on the performance of publicly traded companies.
4. Understand the impact of changes in economic activity on the profit performance and thus value of a company's shares.
5. Categorize economic indicators in terms of whether they lead, lag or coincide with changes in GDP.
6. Describe and explain the nature of fixed income securities.
7. Measure the value that each of the major features which are normally found on fixed income securities.
8. Explain the relationship between the level of interest rates and the market value of bonds and preferred shares.
9. Judge the investment quality of bonds and preferred shares.
10. Discuss the major features in each of the primary schools of equity analysis.
11. Explain the nature of the derivatives market and describe the principal options.
12. Compare and contrast the various mutual funds in terms of their advantages, disadvantages and performance.

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## Course Record

Developed by: R.J. Dolan, Financial Management Date: December, 1995  
Instructor Name and Department (signature)

Revised by: \_\_\_\_\_ Date: \_\_\_\_\_  
Instructor Name and Department (signature)

Approved by: C.M. Briscall Start Date: \_\_\_\_\_  
Associate Dean / Program Head (signature)



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Professional Accounting, Taxation, MicroFinancial

Course Outline **Part B**

**FMGT 4620**

**Security Fundamentals**

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### Effective Date

December, 1997

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### Instructor(s)

Carol Edwards

Office No.: SE6-319

Phone: 451-6937

Office Hrs.: TBA

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### Text(s) and Equipment

Required:

Recommended:

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### Course Notes (Policies and Procedures)

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### Assignment Details



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Schedule

School of Business

Program: Financial Management

Option: Professional Accounting, Taxation, MicroFinancial

**FMGT 4620**

**Security Fundamentals**

Lecture Number	Material Covered
1	Introduction
2	Sources of Information and Capital Markets
3	Economic Analysis
4	Fixed Income Securities
5 & 6	Equities
7, 8 & 9	Common Stock: Fundamental Analysis, Technical Analysis, Quantitative Analysis
10	Mid-term Exam
11 & 12	Options
13 & 14	Mutual Funds
15 & 16	Financial Planning and Taxation Issues
17	Review
18	Final Exam