



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY
School of Business
Program: Financial Management
Option: Professional Accounting, Taxation,
MicroFinancial

Course Outline for
FMGT4620
Security Fundamentals

Hours/Week:	Total Hours:	Term/Level:	4a
Lecture: 2	Total Weeks:	Credits:	2.5
Lab: 1			
Other: n.a			

Prerequisites:	Course No.
Course No. FMGT2100 OR 2105	Course No.
Course Name: Introductory Accounting	Course Name

Course Record

Developed by:	<u>R. J. Dolan, Financial Management</u>	Date:	<u>December 1996</u>
	Instructor Name and Dept.		
Revised by:	<u></u>	Date:	<u></u>
	Instructor Name and Dept.		
Approved by:	<u>C. M. Briscall</u>	January 1997	
	Associate Dean / Program Head	Start Date:	<u></u>

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.

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.
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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.
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Evaluation

Final Examination	45	%
Mid-Term Exam	40	%
Participation	15	%

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 companies 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.
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11. Distinguish the important elements of technical analysis.
12. Explain the nature of the derivatives market and describe the principal options.
13. Compare and contrast the various mutual funds in terms of their advantages, disadvantages and performance.



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**Detailed Course Specifications for
FMGT4620: Security Fundamental**

Effective Date: December 1996

Instructor(s) R. J. Dolan

Office No: SE6-339

Phone: 451-6757

Office Hours: TBA

Text(s) and Equipment

Required: No Text required

Recommended:



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY	
School of Business Program: Financial Management Option: Professional Accounting, Taxation, MicroFinancial	Schedule for: FMGT4620:
Security Fundamentals	
Lecture Number	Material Covered
1	Introduction
2	Buying and Selling Equities
3	Sources of Information
4	Economic Analysis
5 & 6	Fixed Income Securities
7, 8 & 9	Common Stock: Fundamental Analysis
10	Mid-Term Exam
11 & 12	Technical Analysis
13 & 14	Options
15 & 16	Mutual Funds
17	Review
18	Final Exam