



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline

School of Business
Program: Financial Management
Option: Accounting Degree

FMGT 7510
Advanced Finance

Hours/Week: 3
Lecture:
Lab:
Other: Round-table forum

Total Hours: 45
Total Weeks: 15

Term/Level: Degree
Credits: 3

Instructor: Carol Edwards
Home Phone:

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E-mail:

Office Location: SE6-379
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Prerequisites

FMGT is a Prerequisite for:

Course No.
FMGT4510

Course Name:
Finance 2

Course No.
FMGT 8910

Course Name
Integrative Business Management Practices

Course Goals

This course aims to give the successful student the ability to:

- Deal with investment alternatives and understand their characteristics and the methods underlying their valuation
- Develop methods for analyzing and thinking about investments
- Understand Modern Portfolio Management Theory (MPT) and its related theories the Capital Asset Pricing Model (CAPM) and the Arbitrage Pricing Model (APM)
- Understand derivative pricing, valuation and strategies (including options, forwards, futures, swaps, warrants and convertibles)
- Understand investment theory in a global context and design hedging strategies to help manage an investor's or firm's exposure to foreign exchange as well as interest rate risk

Course Description

This course builds upon the fundamentals of finance which were covered in the FMGT 3510 and 4510 courses. It does so by approaching the subject of finance in a more evaluative and strategic manner.

Rather than using the traditional lecture format, the material will be discussed in a round-table fashion. Students, working in groups, will be required to complete, in advance, a set of questions every week related to the materials about to be discussed. The teacher will function as a facilitator to this process, with students expected to prepare answers to the questions based on their readings of the assigned material. Students are required to be prepared to discuss their own answers and those of their classmates in the context of the materials in the text, their own personal experience with investments, financial web-sites on the Internet and what is happening in the financial press, such as Report on Business, Wall Street Journal or the Economist. 30% of the course marks will depend upon participation.

Exams will be open book, meaning students are expected to have an in-depth understanding of the materials and be able to cope with essay or case based questions.

Evaluation

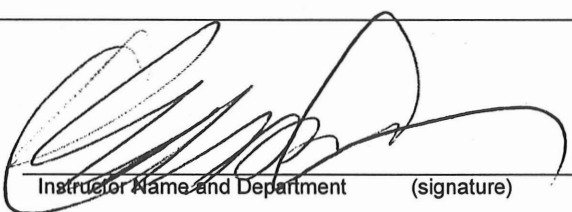
Final Examination	40%
Mid-term Examination	30%
Forum Preparation, Discussion and Participation	30%
TOTAL	100%

Course Outcomes and Sub-Outcomes

Upon successful completion of this course, the student should be able to:

- Analyze and evaluate various investment opportunities
- Understand MPT
- Analyze and suggest strategic changes to a portfolio to improve financial performance
- Understand the implications of globalization on investment decisions
- Design hedging strategies which help reduce risk for a firm and for an individual investor

Course Record

Developed by:  Carol Edwards Date: August 11, 1999
Instructor Name and Department (signature)

Revised by: _____ Date: _____
Instructor Name and Department (signature)

Approved by:  Margaret Briscall Start Date: September 8th, 1999
Associate Dean/Program Head (signature)

Text(s) and Equipment

Required

Investment Analysis and Portfolio Management, 5th Edition
by: Frank K. Reilly and Keith C. Brown

Reference/Recommended:

Globe & Mail, Financial Post, Wall Street Journal, Economist, Forbes, etc.
Financial web-sites on the Internet

Date	Outcome/Material Covered
September 8	<u>Discuss</u> : Chapters 1, 2 (pg. 55-62) and 3 Questions for September 15th class will be distributed.
September 15 & September 22	<u>Discuss</u> : Chapters 4 (pg. 105 – 115; 127 – 131), 7, 8 and 9 Questions for September 29 th class will be distributed
September 29 & October 6	<u>Discuss</u> : Chapters 12, 13 and 14 Questions for October 20 th class will be distributed
October 13	Mid-Term Exam
October 20 & October 27	<u>Discuss</u> : Chapters 15 (pg. 490 – 505; 507 – 517), 16 (pg. 525 – 550; 556 – 581) and 17 Questions for November 3 rd class will be distributed
November 3 & November 10 & November 17	<u>Discuss</u> : Chapters 18, 19, 20, 21 and 22 Questions for November 24 th class will be distributed
November 24 & December 1 & December 8	<u>Discuss</u> : Chapters 11, 23, 24 and 25 Review for final exam
December 15	Final Exam – focus on last half of course

Please note that this outline is tentative and is subject to change at the discretion of the teacher.