

**SCHOOL OF BUSINESS**  
**Course Outline**

<b>COURSE NAME:</b> Investment Strategies	<b>COURSE NO.:</b> BFIN 441
<b>TERM:</b> Spring 2015	<b>COURSE CREDITS:</b> 3
<b>INSTRUCTOR:</b>	<b>E-MAIL:</b>
<b>OFFICE:</b>	<b>PHONE (LOCAL):</b>

**COURSE**

**PREREQUISITES:** 84 credits of 100 level or higher coursework including ENGL 100 and either BFIN353 or BFIN350.

**REQUIRED TEXT:** Jordan, Miller, Dolvin and Yüce. (2012) *Fundamentals of Investments – Valuation and Management*, 3<sup>rd</sup> Canadian Edition. Whitby: McGraw-Hill Ryerson.

**OTHER RESOURCES:** Moodle <https://moodle.capilano.ca> and Publisher’s Textbook Website  
 StockTrak Global Portfolio Simulation software (included with text), or similar software as prescribed by the instructor

**Computer:** Application software such as MS Office or similar, Internet access to financial management and investment websites.

**Calculator:** Texas Instrument BA II Plus Financial Calculator (Recommended) or HP 10BII Financial Calculator, Sharp EL733 financial calculator.

**COURSE FORMAT:** **Instructional hours:** (2 x 1.5 hours/week) x 15 weeks (including exams).

**Office hours:** TBA

**Fourth-hour activities:** On-line group discussions, project activities and Q & A between students and instructor. Students are expected to be on Moodle for online activities.

**COURSE OUTCOMES:**

**GENERAL OUTCOME:** To provide students with the necessary investment management knowledge and skills to be immediately effective in related employment, and to provide a sound basis for future career progression in financial and investment planning and general business.

This course covers a broad range of investment and investment management principles, including investment research, planning, and analysis, to improve investment decision making and overall investment portfolio performance. Upon successful completion of the course, the student will understand investment theory and process, financial markets and institutions, financial assets and their related valuations, and mutual funds. A significant group project will enable students to implement investment strategies, and apply investment decision-making and performance assessment tools within an overall investment portfolio.

**Specific Student Outcomes:** Upon successful completion of this course, students will be able to demonstrate competence in the following abilities and skills:

Abilities	Learning Outcomes	Levels*
Communications	Correctly apply quantitative techniques to value and assess investments. (Quantitative Literacy)	4 - 6
	Use financial statements and financial models to make financial decisions. (Quantitative Literacy)	4 - 6
	Use appropriate clear, concise and well-founded business communications formats to present research, analysis and findings of the portfolio investment project . (Written Communication)	5 - 6

<b>Communications/ contd.</b>	Use appropriate computer tools (portfolio software, word processing, spreadsheets) to summarize and present financial information. (Computer Lit.)	4 - 6
	Research and interpret financial models and topics. (Reading)	4 - 6
	Present key findings to a group. (Oral Communication)	4 - 5
	Communicate effectively within a group. (Listening, Reading, Oral Communication, Written Communication., Quantitative Literacy and Computer Literacy)	4 - 5
<b>Analysis and Decision Making</b>	Understand and apply risk and return concepts, investment theory and process, and capital market theories to evaluate financial security performance.	4 - 6
	Calculate expected returns and variances for a security and a portfolio. Understand the importance of diversification and asset allocation.	4 - 5
	Understand the variety of investment vehicles of financial securities including bonds, stocks, mutual funds, and other investment funds.	4 - 6
	Determine, analyze and evaluate the value of financial assets, including debt, equities, mutual funds, futures and options contracts; make recommendations to improve asset portfolio performance within an investment strategy.	4 - 6
	Understand the implications of investor expectations and behavior on the financial markets.	4 - 6
	Understand the factors affecting interest rates. Apply Time Value of Money (TVM) in the valuation of long term financial securities.	4 - 5
	Analyze the macro and micro financial environments, and review a firm's financial statements, cash flows, earnings and capital structure. Draw conclusions about the firm's expected market performance based on the review.	5 - 6
	Synthesize the investment techniques and strategies learned in class by trading local and international stocks, bonds, futures, options and mutual funds within portfolio investment software.	5 - 6
<b>Social Interaction</b>	Calculate a variety of portfolio evaluation measures, and determine the strengths and weaknesses of these measures in managing risk and evaluating performance.	4 - 5
	Use collaboration for analysis and decision making in classroom activities.	4 - 5
<b>Citizenship, Sustainable &amp; Global Perspectives</b>	Make timely and important decisions related to investing in a group setting. Generate discussion to achieve agreement in setting investment goals and executing appropriate market actions. Practice "reality" since group members may not have the same preferences towards investing; compromise is required.	4 - 6
	Understand the intricate workings of the various Canadian and American financial systems, stock markets and indices.	4 - 5
	Describe various economic and political risks and factors and indicators and use them to assess performance of investments.	4 - 6
	Integrate social and global perspectives into business analysis and decisions.	4 - 5

\*See Faculty of Business – Our Commitment to Assessment and Constructive Feedback for description of the six “levels” of comprehension.

**COURSE CONTENT :**

<b>Weeks</b>	<b>Topics</b>	<b>Readings</b>
<b>Week 1</b>	Understanding Investment – A Brief History of Risk and Return The Investment Environment – understanding financial statements (review from prior accounting and finance courses)	Ch. 1 Ch. 17
<b>Week 2</b>	Diversification and Risky Asset Allocations	Ch. 2
<b>Week 3</b>	The Investment Process, Investment Funds and Alternatives Overview of Security Types – Debt, Equities, Futures and Options	Ch. 3 Ch. 4
<b>Week 4</b>	Mutual Funds	Ch. 5
<b>Week 5</b>	The Stock Market Common Stock Valuation (review from BFIN 241)	Ch. 6 Ch. 7
<b>Week 6</b>	Stock Price Behaviour and Market Efficiency	Ch. 8
<b>Week 7</b>	Behavioral Finance and the Psychology of Investing	Ch. 9
<b>Week 8</b>	<b>Review and Midterm examination (35%)</b>	
<b>Week 9</b>	Interest Rates Bond Prices and Yields (review from BFIN 241)	Ch. 10 Ch. 11
<b>Week 10</b>	Return, Risk and The Security Market Line Capital Asset Pricing Model (CAPM) and calculating Beta	Ch. 12
<b>Week 11</b>	Performance Evaluation and Risk Management	Ch. 13
<b>Week 12</b>	Specific Topics – Real Estate, Options and Futures	Ch. 14 and 16 (overview)
<b>Week 13</b>	Project Presentations and Final Examination Review	
<b>Weeks 14/15</b>	<b>Final Exam Period</b> <b>The Final Exam will cover all instructional chapters (35%)</b>	

**\*Note:** Schedule/Dates: Schedule shown here may change and the exact dates and times for the exams, quizzes, assignments and Project will be announced in class and/or on Moodle.

**EVALUATION PROFILE:**

CAPabilities Assessed						
Assessment	% of Final Grade	Individual/ Group	Communications	Analysis & Decision Making	Social Interaction	Citizenship & Global Perspectives
Quizzes	10%	I	Yes	Yes	Yes	Yes
Midterm Exam	35%	I	Yes	Yes		Yes
Major Project	20%	G	Yes	Yes	Yes	Yes
Final Exam	35%	I	Yes	Yes		Yes
<b>Total</b>	<b>100%</b>					

**UNIVERSITY POLICIES:**

Capilano University has policies on Academic Appeals (including appeal of final grades), Student Conduct, Cheating and Plagiarism, Academic Probation and other educational issues. These and other policies are available on the University website.

<b>Grading Profile:</b>	A+	90-100	B+	77-79	C+	67-69	D	50-59
	A	85-89	B	73-76	C	63-66	F	49 & below
	A-	80-84	B-	70-72	C-	60-62		

**Emergency procedures:** In the event of an emergency, students must follow the emergency procedures posted in the classrooms.

In addition to the policies of the university, the School of Business has the following policies governing the management of our classes and curriculum.

**SCHOOL OF BUSINESS POLICIES:**

**Attendance:** Regular attendance and punctuality are both essential and expected due to the nature and format of the course materials.

**Professional Behaviour:** Students must demonstrate a professional attitude and behaviour toward work, fellow students and their instructors. Each student should demonstrate reliability, respect for and co-operation with colleagues. A willingness to work calmly and courteously under difficult conditions as well as a determination to achieve first-class work while meeting deadlines is necessary in the Business Faculty. Students should have respect for equipment and systems. Students should display a constructive response to criticism.

**English Usage:** All assignments are marked for correct English usage, proofreading and formatting.

**Missed Exams and Quizzes:** Missed exams or quizzes will receive a grade of "0" unless PRIOR arrangements (wherever possible) are made with the instructor. Permission to make up an exam will only be given in extraordinary situations such as illness of the student or the death of a close family member. A doctor's certificate, or other proof supporting the reason for the absence, will be required. For further information, refer the "Examination & Pivotal Presentation Exemption Policy".

**Examination and Pivotal Presentation Exemption Policy** All students are required to appear and write their scheduled mid-term and final examinations, and to produce, by the assigned date, all pivotal presentations, individual and/or group, unless they meet one of the following criteria:

**"Medical Exemption"** will be considered, if:

Within the ten calendar days prior to a mid-term or final examination, or within ten days of a pivotal presentation, a student falls ill or is injured.

**"Falling ill"** is defined as being formally advised by a physician of the need to isolate oneself for the purpose of preventing communication of disease or infection to others; being advised by a physician of compromised immunity that requires isolating oneself from contact with others to prevent communication of disease or infection to themselves, or; being in a physical state of health which so compromises a student's ability to function, physically or cogitatively, during the ten days prior to the examination or presentation date.

**"Injury"**, for the purpose of Exemption, is defined as sudden, unanticipated physical harm that renders the applicant physically incapable of attending campus or, in such physical distress that

the student is specifically advised by their physician to abstain from appearing at their examination or presentation. Students who are prescribed medication(s) to treat their injury and who believe that the medication(s) may be impairing their ability to successfully prepare for or write their examination or presentation may provide written evidence of their concerns as verified by their physician.

**“Catastrophic Personal Loss Exemption”** will be considered, if:

Events occur in the student’s life that are of such scope as to sufficiently distract a student from the examination or presentation preparation period, or from appearing at or adequately focusing on, the scheduled examination or presentation itself. This could include; loss of housing due to eviction, flood or fire; or death of an immediate family member \* (defined as a sibling, parent or grandparent, child, partner or spouse, parent or step-parent, aunt, uncle, niece, or nephew and first cousins.) Immediate family member does not include general acquaintances. Circumstances that may qualify as a personal loss could also include an immediate family member being diagnosed with a significantly life-altering or life-threatening illness or injury.

In all of the above scenarios, a physician’s letter or other specifically requested documentation must be provided to satisfy the Instructor as to the validity of the claim, and must be provided within ten calendar days prior to the date of the exam or presentation. If an instructor agrees with the request for Exemption, the request for must be presented by the instructor to their Unit Convenor for consideration and his/her approval. No request for Exemption will be considered approved by virtue of submission, and will remain as merely “under consideration” until approved or rejected by the Unit Convenor. A student applying for an exemption for a specific section which is instructed by the Unit Convenor will have their application reviewed by the Vice-Chair or Chair of the School of Business.

Any student who applies for and receives an Exemption will be assigned a Future Examination or Presentation Date: this date is non-negotiable. Failure to appear on/at the single date and time assigned by the instructor will result in an automatic “0” grade for that exam or assignment. This “0” grade may not be appealed or contested, and will not be changed.

**Copyright Policy:**

Students are expected to familiarize themselves with and abide by the University’s Copyright Policy. The University’s Copyright Policy is published in the University website.

**Cheating and Plagiarism:**

Cheating is an act of deceit, fraud, distortion of the truth, or improper use of another person’s effort to obtain an academic advantage. Cheating includes permitting another person to use one’s work as their own. Plagiarism is the presentation of another person’s work or ideas as if they were one’s own. Plagiarism is both dishonest and a rejection of the principles of scholarship. Information about how to avoid plagiarism by proper documentation of sources is available in the Writing Centre and is published on the University website in the University Policies page.

**Penalties for Cheating and Plagiarism:**

A grade of ‘0’ for an examination, quiz or assignment or ‘F’ for the course may be assigned if cheating or plagiarism has taken place. First incidents deemed by the instructor to be particularly serious or second or subsequent incidents of cheating and plagiarism will be dealt with under the provisions of the University Policy on Cheating and Plagiarism (see the University website). All students should familiarize themselves with the University Policy on Cheating and Plagiarism as such behaviour can result in suspension from the University.

**Incomplete Grades:**

Incomplete grades will not be given unless special arrangements have been made with the instructor prior to the date set by University Administration.

**COURSE LEVEL POLICIES:**

In addition to Capilano University, and the School of Business policies, the following policies govern the management of this course and its curriculum.

It is the responsibility of the student to check the teaching website regularly, particularly the Calendar and General Announcement areas on Moodle home page or publisher’s website. There may be additional assigned readings as posted on the instructor’s website or as distributed during the term.

**Assignments:**

Homework assignments are due at the **start of class** on the due date unless otherwise advised by your instructor. Late assignments will only be accepted if prior approval for a late submission date has been given by the instructor. All quizzes and the due date of each quiz are posted on teaching website. It is student’s responsibility to accomplish those quizzes on-line in time.

**Programmable Tools:**

The use of programmable items such as calculators, dictionaries etc. is forbidden during tests, quizzes, and exams. Cell phones are not to be brought to any test, quiz, or exam.