



Business Administration

Course Number:	BUAD 450
Course Title:	INVESTMENT MANAGEMENT
Credits:	3
Calendar Description:	In this course students will gain the knowledge and skills required for success as an investment professional or an individual investor. Topics include investment and portfolio theory, techniques for security analysis (fundamental and technical), valuation and management of various investment products, international investing, and portfolio management and performance evaluation. Careers and ethics in investment management will be discussed. <i>(also offered by Distance Education)</i>
Semester and Year:	FALL 2018
Prerequisite(s):	BUAD 350, and third-year standing
Corequisite(s):	No
Prerequisite to:	No
Final Exam:	Yes
Hours per week:	3
Graduation Requirement:	Elective – BBA
Substitutable Courses:	No
Transfer Credit:	
Special Notes:	
Originally Developed:	May 2002
EDCO Approval:	
Chair's Approval:	<i>D. Spauling</i>

Professor

Name	Phone number	Office	Email
<i>Elena Mitropolsky</i>	250-762-5445 ext. 4524	K: C143	emitropolsky@okanagan.bc.ca

Learning Outcomes

Upon completion of this course students will be able to

- design Investment Policy Statement, and make asset allocation and security selection decisions for individual and institutional investors
- apply and interpret macro-analysis and micro-valuation of the stock market; perform comprehensive financial analysis and valuation of common stocks using fundamental approach
- build and analyze financial models
- design and analyze equity portfolio management strategies
- research, apply and test bond valuation techniques using yield curve and credit analysis
- formulate and analyze bond portfolio management strategies
- evaluate and interpret investment portfolios performance

Course Objectives

This course will cover the following content:

*See weekly schedule.

Evaluation Procedure

Option 1	
Investment Practice	15%
Participation and Contribution including in-class quizzes	15%
Group Project	30%
Exams	40%
Total	100%
Option 2	
Participation and Contribution including in-class quizzes	15%
Group Project	30%
Exams	55%
Total	100%

Notes

In order to pass this course, the student must obtain a weighted average of 50% or higher on exams and quizzes. There will be no make-up or supplementary exams. Class attendance is required and active class participation/contributions are expected.

StockTrak Investment Practice

1. Each student will need to register your individual account at:

<https://www.stocktrak.com:443/members/registerstudent?className=BUAD450>

You are an institutional portfolio manager, and you have just started a brand-new fund in which you invested \$1m of “seed money”. Now you are trying to generate an impressive track record to attract investors to your fund. You can trade common stocks, bonds, and options, and you will be allowed to trade on margin and to short-sell, if so desired. Your work is evaluated based on a written investment report (50%), and final ranking in the competition (50%).

The investment report should reflect the student’s knowledge of securities analysis and portfolio management. It should include the following sections:

- Investment policy statement and asset allocation, including the benchmark
- Transaction history and justifications for each transaction
- Final holdings of the portfolio with return/risk information
- An essay stating what has been learned from the competition

Group Project – Stock Analysis and Valuation

Each team will be assigned a publicly traded company to perform in-depth analysis and valuation for portfolio investment purposes. The deliverables include a sell-side investment report and presentation to the class, and an Excel model to be submitted and used during presentation

Required Texts/Resources

Required: A custom course pack – Chapters 4, 8, 9, 11, 12, 13, 18 from Investment Analysis and Portfolio Management (11th ed), Reilly & Brown, Nelson Education ISBN 978-0-17-678468-3 (available in the Bookstore)

Recommended 1: Investment Analysis and Portfolio Management, Reilly, Brown, Leeds, 11th Edition, Nelson Education, 2019, ISBN 9781305262997

Recommended 2: Valuation, 6th edition, Measuring and Managing the Value of Companies, Koller, Goedhart, Wessels, McKinsey and Company, Wiley, ISBN: 978-1-118-87370-0 (59500)

Additional readings will be distributed in class or posted on Moodle.

Course Schedule

Date		Topic	Textbook
2018 Week of:		Tuesday, September 4 - Orientation Wednesday, September 5 - Classes Start Monday, October 8 – Thanksgiving Day (no classes) Monday, November 12 – Remembrance Day (no classes) Thursday, December 6 - Last Day of Regular Classes	
Sep	3	Introduction Portfolio Asset Allocation, Benchmark Selection, and Index Funds Review: Fundamentals Analysis vs Technical Analysis	Ch. 4
	10	Portfolio Management: Style Analysis, Risk-Adjusted Return	Ch. 11, 18
	17	Portfolio Management - Performance Measurement and Attribution	Ch. 18
	24	Professional Money Management, Alternative Assets, and Industry Ethics CFA Code of Ethics and Standards of Professional Conduct	
Oct	1	Bonds – Term Structure of Interest Rates	Ch. 12
	8	Bonds – Duration and Convexity Bond Portfolio Strategies	Ch. 13
	15	No class Oct 8 - Thanksgiving Mid-term Exam	
	22	Common Stock Analysis – Strategy and Financial Statements Analysis, Deriving Free Cash to the Firm	Ch. 8
	29	Common Stock Analysis – Forecasting, Building the Financial Model	
Nov	5	Common Stock Analysis – Valuation – DCF and Sensitivity Analysis	Ch. 8
	12	Common Stock Analysis - Economic Indicators, Industry Analysis, Relative Valuation	Ch. 9
	19	Common Stock Analysis – Putting it all together – Producing a Winning Investment Report and Presentation	
	26	Group Presentations	
Dec	3	Review Individual Investment Report Due Trading Game Results Announced	
	7-18	Final Exam Period (Final Exam)	

This schedule is subject to change at the discretion of the instructor

SKILLS ACROSS THE BUSINESS CURRICULUM

The Okanagan School of Business promotes core skills across the curriculum. These skills include reading, written and oral communications, computers, small business, and academic standards of ethics, honesty and integrity.

STUDENT CONDUCT AND ACADEMIC HONESTY

What is the Disruption of Instructional Activities?

At Okanagan College (OC), disruption of instructional activities includes student “conduct which interferes with examinations, lectures, seminars, tutorials, group meetings, other related activities, and with students using the study facilities of OC”, as well as conduct that leads to property damage, assault, discrimination, harassment and fraud. Penalties for disruption of instructional activities include a range of sanctions from a warning and/or a failing grade on an assignment, examination or course to suspension from OC.

What is Cheating?

“Cheating includes but is not limited to dishonest or attempted dishonest conduct during tests or examinations in which the use is made of books, notes, diagrams or other aids excluding those authorized by the examiner. It includes communicating with others for the purpose of obtaining information, copying from the work of others and purposely exposing or conveying information to other students who are taking the test or examination.”

Students must submit independently written work. Students may not write joint or collaborative assignments with other students unless the instructor approves it in advance as a group/team project. Students who share their work with other students are equally involved in cheating.

What is Plagiarism?

Plagiarism is defined as “the presentation of another person’s work or ideas without proper or complete acknowledgement.” It is the serious academic offence of reproducing someone else’s work, including words, ideas and media, without permission for course credit towards a certificate, diploma, degree and/or professional designation. The defining characteristic is that the work is not yours.

“Intentional plagiarism is the deliberate presentation of another’s work or ideas as one’s own.” Intentional plagiarism can be a copy of material from a journal article, a book chapter, data from the Internet, another student, work submitted for credit in another course or from other sources.

“Unintentional plagiarism is the inadvertent presentation of another’s work or ideas without proper acknowledgement because of poor or inadequate practices. Unintentional plagiarism is a failure of scholarship; intentional plagiarism is an act of deceit.”

What are the Students’ Responsibilities to Avoid Plagiarism?

Students have a responsibility to read the OC Plagiarism Policy and Procedures outlined in the OC calendar, which is available in online format www.okanagan.bc.ca. Students must acknowledge the sources of information used on all their assignments. This usually involves putting the authors’ name and the year of publication in parentheses after the sentence in which you used the material, then at the end of your paper, writing out the complete references in a Reference section.

“Students are responsible for learning and applying the proper scholarly practices for acknowledging the work and ideas of others. Students who are unsure of what constitutes plagiarism should refer to the UBC publication “*Plagiarism Avoided; Taking Responsibility for your Work*”. This guide is available in OC bookstores and libraries.

Students are expected to understand research and writing techniques and documentation styles. The Okanagan School of Business requires the use of the APA or MLA style, but suggests that students cite references using the APA guidelines (see Publication Manual of the American Psychological Association, 6th edition (2009)). A copy of the APA manual is available in the reference section and also available for circulation from OC libraries. The library website has access to these two major citing styles.

What are the Penalties for Plagiarism and Cheating?

The Okanagan School of Business does not tolerate plagiarism or cheating. All professors actively check for plagiarism and cheating and the Okanagan School of Business subscribes to an electronic plagiarism detection service. All incidents of plagiarism or cheating are reported and result in a formal letter of reprimand outlining the nature of the infraction, the evidence and the penalty. The Dean of the Okanagan School of Business and the Registrar record and monitor all instances of plagiarism and cheating. Penalties for plagiarism and cheating reflect the seriousness and circumstances of the offence and the range of penalties includes suspension from OC.