



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 2021
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:	No
Special Notes:	No
Originally Developed:	May 2002
EDCO Approval:	May 2002

Chair's Approval:

A handwritten signature in black ink, appearing to read "Hempel".

Professor

Name	Office	Email
<i>Elena Mitropolsky, Course Captain</i>	C143	emitropolsky@okanagan.bc.ca

Learning Outcomes

Upon completion of this course students will be able to

- Design Investment policies and portfolios for individual and institutional investors
- Perform comprehensive financial analysis and valuation of common stocks
- Build and analyze financial models in Excel
- Apply bond valuation techniques using yield curve and credit analysis
- Evaluate investment portfolios performance based on asset allocation and security selection
- Analyze alternative asset classes such as real estate and private equities

Evaluation Procedure

Investment Practice	20%
Term work (assignments)	20%
Group Project	30%
Final Exam	30%
Total	100%

Notes

Classes are Tue/Thu 3:30 – 4:50pm in B112

In order to pass this course, the student must obtain 50% or higher on the final exam. There will be no make-up or supplementary exams. Class attendance is very important, and active class participation/contributions are expected. There will be in-class assignments performed in Excel.

StockTrak Investment Practice

Each student will need to register an individual account at:

<https://www.stocktrak.com:443/members/register?session=Buad4502021>

You are a portfolio manager working for a client – the clients be assigned in the first week of classes. Based on your clients needs, you will develop an investment policy statement, and then run a portfolio for your client in StockTrak. Be prepared to discuss your portfolio on a weekly basis. You can trade common stocks, bonds, and options, and you may trade on

margin and short-sell, based on your clients needs and if so desired. Your work will be evaluated based on the written investment policy and the final investment report to your client (70%), and your risk-adjusted return (30%).

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:

1. Investment Analysis and Portfolio Management, Reilly, Brown, Leeds, 11th Edition, Nelson Education, 2019
2. Valuation, 7th edition, Measuring and Managing the Value of Companies, Koller, Goedhart, Wessels, McKinsey and Company, Wiley

A free e-book is also available through the Library

VALUATION: MEASURING AND MANAGING THE VALUE OF COM

Link: <https://ebookcentral.proquest.com/lib/okanagan-ebooks/detail.action?docID=6207783>

Additional readings will be posted on Moodle.

Course Schedule

Date		Topic	Textbook
2021 Week of:		Classes Start: Wednesday, September 8 STAT Thursday, September 30 STAT Monday, October 11 STAT Thursday, November 11 & 12 Last day of regularly scheduled Classes: Monday, December 6	
Sep	6	Introduction Investment Policy Statement for Individual and Institutional Investors	
	13	Managing Investment Portfolio for Individual and Institutional Investors Industry Ethics. CFA Code of Ethics and Standards of Professional Conduct	Ch. 2
	20	Portfolio Management: Active vs Passive, Style Analysis Risk-Adjusted Return Analysis Performance Measurement and Attribution	Ch. 11, 18
	27	Bonds – Review of Duration and Convexity Credit Analysis Bond Portfolio Strategies	Ch. 12, 13
Oct	4	Real Estate Analysis and Valuation	
	11	Common Stock Analysis Economic Indicators and Industry Analysis <i>No class on Oct 11</i>	Ch. 8, 9 Koller: Chapters 6, 9, 10
	18	Common Stock Analysis Review of Strategy and Financial Statements Analysis Forecasting, Earnings Quality Deriving Free Cash Flows Enterprise Value	Koller: Chapter 11
	25	Common Stock Analysis - Relative Valuation using Multiples	Ch. 9, 10 Koller: Chapter 16
Nov	1	Common Stock Analysis – Valuation – DCF and Sensitivity Analysis Producing a Winning Investment Report and Presentation	Koller: Chapters 12, 13, 14, 15
	8	Mergers and Acquisitions (M&A) Analysis for Investors <i>No class Nov 11</i>	
	15	Introduction to Private Equity Leveraged Buyout Valuation	
	22	Group Presentations	
	29	Initial Public Offerings (IPO) and its alternatives (SPACs), etc. Review	
Dec	6	Review Individual Investment Report Due	

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, 7th edition (2019)). 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.