

SEP. 24 2001

Grande Prairie Regional College
Department of Arts, Commerce and Education
Course Outline
Finance 3490 (3)
Investments
Fall 2001

Instructor: Ken Riley
Office: C307
Office hours: M & W 10 – 11:30am or by appointment
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Time and Place: Monday: 13:00 – 14:20
Friday: 11:30 – 12:50
B207

Course Description:

This course examines the fundamentals of investment and portfolio management. It will not make you a fund manager for a major investment house, but it will give you the tools to select appropriate investments that provide a balance between risk and return.

Prerequisites:

EC 1020, MA 1130 or MA 1140 or consent of the instructor

Content Description:

The objectives for the course are:

1. Understand the basic vehicles of investing and the factors that move them.
2. Be able to analyze the risk and return characteristics of a variety of investment vehicles.
3. Understand the impact of economics on the investment markets.
4. Understand the different valuation models in use today.
5. Understand the basics of portfolio construction and measurement.
6. Evaluate portfolio risk and assess different portfolio strategies.

To accomplish this, we will learn the major individual investment vehicles available today and also examine them from a portfolio perspective. To integrate the learning, we will apply it through the playing of an investment game.

Classroom work will include lectures and discussion of required topics, selected case studies, and exercises. Case and exercise work is designed to provide

practical examples for many of the concepts and theories that are discussed in class. Students are expected to have read all assigned cases and exercises before coming to class and to participate fully in their discussion and analysis.

Course Materials: The required text for this course is:

Bodie, Kane, Marcus, Perrakis, and Ryan. Investments, Third Canadian Edition. United States of America, McGraw - Hill, 2000.

Students are expected to read the business news in national papers or on the internet on a regular basis. The papers are available in the library.

Evaluation:

The grading system employed in this course will be:

Term Papers (2)	30%
Midterm Examination	20%
Final Examination	30%
Participation	10%
Investment Game	10%

Term Papers:

Each student is expected to submit two term papers. The first will be a fundamental analysis of one company to be chosen by the student. In this, the student will need to analyze the macroeconomic environment, the financial health and the technical picture of the company and determine whether or not this is a good company to buy now or some time in the future. A suggestion for the second term paper will be provided by the instructor later in the course. Alternatively the student may select a topic of his or her own choosing. If the latter is chosen, the student needs to get the concurrence of the instructor on the topic before proceeding. Due dates will be assigned shortly.

Participation:

Each student is expected to come to class having read the material and completing any assignments given. Marks will be based on the contribution made to the class by the student; note that both quantity and quality of the contribution will be assessed. In addition, the student will be expected to prepare and deliver in class an assessment of the markets for the previous week. A schedule of the presentations will be prepared in conjunction with the students.

Investment Game:

In the game, the student will try to beat a benchmark portfolio selected by the instructor. The student will try to beat this portfolio using whatever investments and strategies he/she wishes. In addition, students will be expected to value the

portfolios of all students in the class on a proportionate basis on a weekly basis. Marks will be assigned on the basis of a comparison against the benchmark portfolio. More details will follow in class.

Midterm Examination:

A midterm examination is scheduled for the week of October 22.

Final Examination:

A final examination will be held with time and place to be announced.

COURSE TIMELINES

Week of:

September 3:	General Introduction Handouts: Listing of Investment Alternatives and Strategies for Investing
September 10:	Chapters 1 & 2
September 17:	Chapters 3 & 4
September 25:	Chapter 5
October 1:	Chapter 14
October 8:	Chapter 15
October 15:	Chapter 16
October 22:	Midterm Examination Chapters 17 & 19
October 29:	Chapter 11
November 5:	Chapters 12 & 13
November 12:	Chapter 6
November 19:	Chapters 7 & 9
November 26:	Chapters 20 & 21
December 3:	Course Review
December 10:	Final Exam