

Instructor: Dr. Rahman Khokhar
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Office: SB-125
Office Hours: Tuesday/Thursday
10.30 a.m. – 1.30 p.m.

Phone: 491-6371

Day, Time, and Location of Classes, Labs, and/or Tutorials:
Tuesday/Thursday 2.30 – 3.45 p.m. – LA174

Credit Hours: 3.0

Course Prerequisite(s): (Undergraduate level FINA 3361 Minimum Grade of D or Undergraduate level FIN 361 Minimum Grade of D) and (Undergraduate level COMM 2293 Minimum Grade of D or Undergraduate level COM 293 Minimum Grade of D) and (Undergraduate level ACCT 2242 Minimum Grade of D or Undergraduate level ACC 242 Minimum Grade of D).

Course Description

This course will provide students with exposure to the use of various software packages in analyzing and tracking investment decisions. Emphasis will be on the gathering of financial and economic data, analysis of data in making investment decisions, and tracking and analyzing investment performance. In addition to common tools such as spreadsheets, the course will make use of state-of-the-art software currently used in the financial services industry.

Bachelor of Commerce Program Goals

Communication: You will be able to employ the communication skills required to effectively facilitate interpersonal and business relationships.

- Students will demonstrate professionally written communications that are well-organized, clear, and concise.
- Students will prepare and deliver well-organized professional oral presentations.

Critical Thinking: You will possess the ability to critically assess situations and employ appropriate problem solving skills.

- Students will formulate and justify positions on issues or situations using appropriate evidence.

Ethics and Corporate Social Responsibility: You will understand relevant ethical issues and recognize the impact that organizations have on the environment, consumers, employees, communities, stakeholders and members of the public.

Information Literacy: You will be able to locate and use information and information technology effectively in a range of contexts.

- Students will determine and retrieve required information.

- Students will critically evaluate and use the information.
- Students will recognize and acknowledge copyright laws and intellectual property restrictions.

Team Work: You will be able to work effectively in groups and teams.

- Students will identify, describe, and exhibit behaviours that contribute to effective team performance.
- Students will identify and understand ethical dimensions of complex situations.
- Students will identify corporate social responsibility behaviours.

Knowledge and Competency: You will have knowledge of and competency in the functional areas of business.

Course Objectives

After completing this course, if you have attended classes regularly, read the assigned material, and completed individual and group assignments to apply concepts presented in the course, you will be able to:

- Learn fundamental concepts in portfolio theory and portfolio management.
- Gain an understanding of the investment and portfolio management process.
- Become proficient in using Bloomberg terminals; this includes completing Bloomberg Essentials Certification.
- Increase Excel proficiency to conduct Financial Analysis.

Instructional Approach

The course consists of lectures and discussions of the relevant topics. Students will also have the opportunity to apply portfolio management concepts using the state-of-the-art softwares currently used by the industry professionals.

Required and Recommended Texts and Softwares

Texts:

There is no required text for the course; however, following books provide most material for the course.

S. Benninga – *Financial Modeling*, Third Edition, MIT Press, 2008.

Z. Bodie, A. Kane, A.J. Marcus, S. Perrakis and P.J. Ryan – *Investments*, Seventh Canadian Edition, McGraw-Hill Ryerson, 2011.

Note: Lecture notes, Assignments and other course content will be available to download from Blackboard website. Please ensure to check Blackboard regularly.

Computer Software Requirements:

1. Bloomberg Account
2. Rotman Portfolio Manager (RPM)*
3. Microsoft Excel with Solver and Data-Analysis Add-ins

*RPM Software license costs \$35 per group for the term

Evaluation

Individual assessment:	50%
Bloomberg Essential Training and Certification (8 Videos and 5 Exams)	20%
Quizzes, in-class and closed book (3, equally weighted)	30%
Group assessments:	50%
Assignments (2, equally weighted)	20%
Portfolio Investment Challenge and Group Report	20%
Group Presentation(s)	10%

Undergraduate Grading System

The numeric grades you earn in this course convert to a letter grade as follows:

A+	90-100	B+	77-79	C+	67-69	D	50-59
A	85-89	B	73-76	C	63-66	F	0-49
A-	80-84	B-	70-72	C-	60-62		

Please refer to the Undergraduate Academic Calendar for related Grading System policies and procedures.

Academic Policies

Academic Integrity Policy and Student Responsibility

As a Saint Mary's University student, you are responsible for understanding and avoiding academic offences, including plagiarism, cheating, and falsification. Working with another person (or in a group) when individual work is required for a grade is considered a form of academic dishonesty.

Plagiarism is when you present someone else's words, ideas or techniques as your own. When you want to refer to someone else's work, you must reference it either by direct quotation or paraphrase (expressing the idea in your own words), which must be acknowledged using correct citation. When you are in doubt about what, when, and how to cite your information sources, consult with me, or the Writing Centre, before submitting your work. Academic dishonesty is a serious offense, so be sure you understand how to correctly acknowledge and use sources when preparing your work.

Plagiarism applies to all forms of information or ideas that belong to someone else (e.g., literary works, computer programs, mathematical solutions, scientific experiments, pictures, website or data).

Furthermore, submitting the same piece of work (even if it's your own) for a grade or credit in more than one course is usually not permitted. The approval of the course instructors involved must be obtained before submitting the assignment.

If you are found in violation of this academic honesty policy, your work is subject to a grade of zero, and you will be reported to the Registrar. If the Registrar finds this is a second offence, you will be referred to the university's Academic Honesty Committee and subject to disciplinary action.

Please read the entire "Academic Integrity" section (Academic Regulation 19) of Saint Mary's Academic Calendar for a complete description of each offence, noting especially the examples of plagiarism and penalties.

Late Assignments, Missed Tests, Mid-term Exams, or other Due Dates

Individual Assessment Extensions:

Bloomberg Equity Certification: there will be no extensions granted to the 15th October 2013 completion date.

Quizzes: There will be no written make-up quizzes. If you miss:

- One (1) quiz (for any reason), its weight will be transferred to the remaining two quizzes (i.e. each quiz will be worth 15%);
- More than one (1) in-class quizzes, you will be given a mark of zero for each missed quiz.

Group Assessment Extensions: There will be no extensions granted to Group Assignments, Projects, or Group Presentations due dates. Failure to submit a group assignment, project, or presentation on time will result in a mark zero (0) FOR ALL MEMEBERS OF THE GROUP.

Electronic Devices during In-Class Quizzes

No electronic devices will be allowed on student desks during the in-class quizzes. This includes mobile phones, iPods, PDAs, netbooks, laptops, and calculators; this list is not exhaustive. Students found with an electronic device on their desk during a quiz will be given a mark of zero (0) for that quiz.

Other Course Related Policies

Computer Software Requirements

Microsoft Excel

Microsoft Excel will be used extensively in this course. It will be your responsibility to have a version of Excel that has the Solver and Data-Analysis Add-ins installed.

Bloomberg

The Bloomberg terminals will be the main research tools used to gather and analyze data and answer applied financial questions. At Saint Mary's University, Bloomberg terminals are located in rooms SB102 and SB325. The combination to these rooms will be supplied in class. Note that there are only limited number of terminals available for use; these terminals need to be used by students in this course and in other university programs, students in general and faculty. Once the term has begun, a sign-up sheet will be posted outside the Bloomberg room on which people can book time slots – priority will be given to students in this course at certain times and to people in other programs at other times.

DO NOT LEAVE ASSIGNMENTS TO THE LAST MINUTE ASSUMING THAT YOU WILL BE ABLE TO USE THE BLOOMBERG TERMINALS ANY TIME YOU WANT.

Every effort has been made so that assignments and projects are structured such that they can be completed either by taking screen shots of Bloomberg windows (and sending them to yourself) and/or exporting data to Excel. Once you have your data in hand you will be able to complete your analysis outside of the Bloomberg room. A guide to setting up your own Bloomberg account will be provided during first class.

Rotman Portfolio Manager

This software is intended to be used to trade and track the portfolio that you will be implementing for the assignments and the group project. It has a one-time cost of \$35 per group for a term software licence. Installation and registration details will be provided in class.

Description: “Rotman Portfolio Manager (RPM) is one of the most robust portfolio simulators available to universities around the world. The software has been designed to simulate the look, feel and functionality of institutional strength proprietary applications that are used by leading financial institutions. The application allows students to manage a simulated portfolio of stocks, bonds, futures and options using market data from the ICE, NYSE, NASDAQ, TMX, and OPRA”. (: Source: <http://rpm.rotman.utoronto.ca/default.aspx>)

Group Work

There are three components that require team collaboration

1. Assignments
2. Group Project
3. Group Project Presentations

You are free to form your own groups (5 members each), but you are required to have the same group for each of the above components. Please e-mail me at Rahman.Khokhar@smu.ca with the names of the people in your group as soon as it is formed. Any students who do not form their own group will be assigned to one. The deadline for forming your own groups is: *Thursday, 17 September 2013*.

During classes where groups are making presentations attendance will be taken. Each student will be responsible for independently completing and submitting a student presentation evaluation and rating form; an individual’s failure to complete and submit a form will penalise their group’s grade.

Further details regarding the assignments, group project, and group project presentations will be provided at the time they are handed-out.

Course Schedule

This is an applied course and the topics covered are subject to change as the course develops. The tentative guide to the topics covered is shown below. The weekly class schedule, due dates for assignments, projects, quizzes will be announced in-class and/or through Blackboard.

- Introduction
 - Investments and Portfolio Management Theory
- Portfolio Theory
 - Mean-Variance Portfolio Theory
 - Portfolio Models and Applications (Excel, Bloomberg and/or RPM)
 - Value-at-Risk Theory and Applications (Excel and/or Bloomberg)
- Macroeconomic Analysis
 - Industry Analysis and Application using Bloomberg
- Security Analysis
 - Equity Valuation and Applications (Excel and/or Bloomberg)
 - Fixed Income Securities and Applications♦ (Excel and/or Bloomberg)
 - Derivative Securities and Applications♦

♦Subject to time availability