

DEPARTMENT OF BUSINESS AND OFFICE ADMINISTRATION

COURSE OUTLINE – Winter 2023

BA2040 (A3): Investment Fundamentals – 3 (3-0-0) 45 Hours for 15 Weeks

Northwestern Polytechnic acknowledges that our campuses are located on Treaty 8 territory, the ancestral and present-day home to many diverse First Nations, Metis, and Inuit people. We are grateful to work, live and learn on the traditional territory of Duncan's First Nation, Horse Lake First Nation and Sturgeon Lake Cree Nation, who are the original caretakers of this land.

We acknowledge the history of this land and we are thankful for the opportunity to walk together in friendship, where we will encourage and promote positive change for present and future generations.

INSTRUCTOR: Mandy Pollock **PHONE:** (780) 539-2815
OFFICE: C406 **E-MAIL:** APollock@nwpolytech.ca
OFFICE HOURS: Monday 1:00PM – 2:30PM, Tuesday 8:30AM-10:00AM, or by appointment

CALENDAR DESCRIPTION:

This course covers the basic principles of investment and taxation. The course explores the structure of personal taxation including the calculations of income deductions and credits. The fundamental investment concept of risk and return, and different types of investment products available in the marketplace are topics included in this course.

PREREQUISITE(S)/COREQUISITE: BA1050 and BA1110

REQUIRED TEXT/RESOURCE MATERIALS: Fundamental of Investments: Valuation and Management E-Text 9th edition, McGraw-Hill Ryerson. Jordan, Miller and Dolvin All students must have access to Connect.

You must have an access code in order to gain access to the online resources. McGraw-Hill Connect™ is a web-based assignment and assessment platform that gives students the means to better connect with their coursework, and with the important concepts that they will need to know for success now and in the future. Instructions to do this are available in the Welcome Module.

All students must have access to How the Market Works. How the Market Works is a web-based investment simulation platform that gives students the means to better connect with their coursework.

Sharp EL - 738 Calculator

DELIVERY MODE(S): BA1540 consists of three hours of lecture per week. Attend On-Campus, In-Person.

COURSE OBJECTIVES:

- Understand the application of portfolio diversification and risky asset allocation.
- Understand the application of fundamental analysis.
- Gain knowledge in derivative securities.
- Understand the application of portfolio management and the issue of measuring portfolio performance.

LEARNING OUTCOMES:

- The student will be able to calculate expected returns and variances for a security.
- The student will be able to calculate expected returns and variances for a portfolio.
- The student will understand the importance of portfolio diversification and the importance of asset allocation.
- The student will understand the difference between expected and unexpected returns.
- The student will understand the difference between systematic risk and unsystematic risk.
- The student will understand the security market line and the capital asset pricing model.
- The student will be able to calculate the best-known portfolio evaluation measures.
- The student will be able to calculate a Sharpe-optimal portfolio.
- The student will understand the basics of futures markets and how to obtain price quotes for futures contracts.
- The student will understand the risks involved in futures market speculation.
- The student will understand the basics of option contracts and how to obtain price quotes.
- The student will be able to price options using the one-period and two-period binomial models.
- The student will be able to price options using the Black-Scholes model
- The student will understand the basic types of corporate bonds.
- The student will be able to explain how callable and convertible bonds function.
- The student will understand the process of top-down analysis.
- The student will be able to explain the importance of the required rate of return.
- The student will be able to explain the relationship of monetary and fiscal policies to economic activity.
- The student will be able to identify industry sensitivity to business cycles.
- The student will be able to evaluate future industry prospects by analyzing the business cycle.
- The student will be able to define fundamental analysis at the company level.
- The student will be able to describe the importance of EPS forecasts.
- The student will be able to estimate the P/E ratio of a company.
- The student will be able to use the beta coefficient to estimate the risk of a stock.
- The student will be able to define options and discuss why they are used.
- The student will be able to describe how options work and give some basic strategies.

- The student will be able to describe the structure of futures markets.
- The student will be able to describe the steps involved in the portfolio management process.
- The student will be able to assess related issues such as asset allocation.
- The student will be able to use measures of return and risk to evaluate portfolio performance.

TRANSFERABILITY:

Please consult the Alberta Transfer Guide for more information. You may check to ensure the transferability of this course at the Alberta Transfer Guide main page <http://www.transferalberta.ca>.

**** Grade of D or D+ may not be acceptable for transfer to other post-secondary institutions. Students are cautioned that it is their responsibility to contact the receiving institutions to ensure transferability**

EVALUATIONS:

Homework Assignments	10%
Stock Market Game	15%
Quizzes	10%
Exam #1	27%
Final Exam	<u>38%</u>
	100%

Assignment, Quizzes and Exam Policies:

Assignments

- There will be CONNECT homework assignments dispersed throughout the semester (see schedule for dates). Each homework assignment will be weighted equally, regardless of the length of the assignment. The combined assignments will account for 10% of the student's final grade. Students will have a maximum of 2 attempts at each assignment.
- The CONNECT assignments will be marked immediately and the student will receive their grade immediately. Corrections for the attempted assignment will be made available immediately for the student.
- All assignments must be completed before the expiration of the pre-set due date or the student will receive a mark of zero for any missed assignments
- A Stock Market Game will be played throughout the semester and will account for 15% of the student's final grade. Rules for the game will be provided in class.
- The Stock Market Game must be completed in accordance with rules set for the Game.

Quizzes

- Each chapter covered in the text(s) will have an associated quiz that the students must complete.
- The quizzes will mostly be theory based multiple choice questions, each worth one mark.
- It is imperative for the student to study and complete the questions at the back of each chapter to be successful at these quizzes.
- There will be 4 quizzes that will account for 10% of the student's final grade (4 @ 2.5% = 10%). See CONNECT or your detailed course schedule for the breakdown of the quizzes.

- The quizzes will be marked and corrections for the attempted quiz will be made available to the student after the due date.
- All quizzes must be completed before the expiration of the pre-set due date or the student will receive a mark of zero for any missed quizzes (see schedule for dates).
- Once the quiz has been started, you must complete the entire quiz within the 60-minute time limit.
- Logging off or losing the internet connection during the exam will result in a grade based only on the proportion of the exam that has been completed. It is imperative that the student has a reliable internet connection when attempting an exam. This is the responsibility of the student, not the instructor.
- The student will be given two attempts at each quiz.

Other Exam & Classroom Policies

- Assignments, quizzes, and exams will be written as scheduled. No rewrites/rescheduled exams will be given. If there is an excusable absence, the weighting of the missed exam will be added to the final exam weighting. If the absence is not excusable, a grade of 0% will be given.
- Any exam, quiz, or assignment grade that a student may wish to contest must be done so within 5 business days after the exam/quiz/assignment has been marked. Any exams/quizzes/assignments contested after this time frame will not be given consideration.
- Photographing and/or recording course content is strictly prohibited.
- Final examinations will be scheduled by the Registrar's office. Do not plan any activities during examination week.

GRADING CRITERIA: (The following criteria may be changed to suite the particular course/instructor)

Please note that most universities will not accept your course for transfer credit **IF** your grade is **less than C-**.

Alpha Grade	4-point Equivalent	Percentage Guidelines		Alpha Grade	4-point Equivalent	Percentage Guidelines
A+	4.0	90-100		C+	2.3	67-69
A	4.0	85-89		C	2.0	63-66
A-	3.7	80-84		C-	1.7	60-62
B+	3.3	77-79		D+	1.3	55-59
B	3.0	73-76		D	1.0	50-54
B-	2.7	70-72		F	0.0	00-49

COURSE SCHEDULE/TENTATIVE TIMELINE:

Dates	Chapter	Assignments	Quizzes	Exams
January 2	Intro/Chapter 11			
January 9	Chapter 11	Assignment #1 Chapter 11 Due January 15		
January 16	Chapter 12			
January 23	Chapter 12	Assignment #2 Chapter 12 Due January 29	Quiz #1 Chapters 11 & 12 Due January 29	
January 30	Chapter 13			
February 6	Chapter 13 /Chapter 14	Assignment #3 Chapter 13 Due February 12		
February 13	Chapter 14	Assignment #4 Chapter 14 Due February 19	Quiz #2 Chapters 13 & 14 Due February 19	
February 20	Winter Break - No Classes			
February 27	Chapter 15 (March 3)			Term Test (27%) March 1 Chapter 11-14
March 6	Chapter 15/ Chapter 16	Assignment #5 Chapter 15 Due March 12		
March 13	Chapter 16	Assignment #6 Chapter 16 Due March 19	Quiz #3 Chapters 15 & 16 Due March 19	
March 20	Chapter 17	Assignment #7 Chapter 17 Due April 2		
March 27	Chapter 18			
April 3	Chapter 19		Quiz #4 Chapters 17, 18 & 19 Due April 9	
April 10	Review			
April 14-22				Final Exam (38%) Chapters 11 - 19

STATEMENT ON PLAGIARISM AND CHEATING:

Cheating and plagiarism will not be tolerated and there will be penalties. For a more precise definition of plagiarism and its consequences, refer to the Student Conduct section of the Northwestern Polytechnic Calendar at <https://www.nwpolytech.ca/programs/calendar/> or the Student Rights and Responsibilities policy which can be found at <https://www.nwpolytech.ca/about/administration/policies/index.html>

**Note: all Academic and Administrative policies are available on the same page.