

COURSE CODE: BUAD 450

COURSE TITLE: Investment Management

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. (also offered by Distance Education)

Prerequisite(s): BUAD 350, and third-year standing

Co-requisite(s): None

Prerequisite For: None

Substitutable Courses: None

Graduation Requirement: Elective - BBA

Transfer Credit: N/A

Special Notes: N/A

Credits: 3

Hours per Week: 3

Originally Developed: May 2002

EDCO Approval: May 2002

CHAIR'S APPROVAL: 

Learning Outcomes

- Outcome Upon completion of this course students will be able to:
- 1 **Design** Investment policies and portfolios for individual and institutional investors.
 - 2 **Perform** comprehensive financial analysis and valuation of common stocks.
 - 3 **Build** and analyze financial models in Excel.
 - 4 **Apply** bond valuation techniques using yield curve and credit analysis.
 - 5 **Evaluate** investment portfolios performance based on asset allocation and security selection.
 - 6 **Analyze** alternative asset classes such as real estate.

Course Objectives

- Objectives This course will cover the following content:
See weekly course schedule below

Professors

Name	Phone Number	Office	Email
Elena Mitropolsky (Course Captain)	ext. 6390	C143	emitropolsky@okanagan.bc.ca

Evaluation Procedure

Term work	30 %
Group Project	35 %
Final Exam	35 %
Total	100 %

Generative AI tools are permitted with specific restrictions

- Students are permitted to use AI tools for formative work such as gathering information or brainstorming but may not use them for any assessed work or final submission. Whenever generative AI tools are used, they must be appropriately cited. (See [How to cite ChatGPT \(apa.org\)](#))
- Students can use AI tools to assist in proofreading, grammar checking, and language refinement for written assignments where the student has composed the first draft. Students should keep in mind that AI revisions are only suggestions and that they are ultimately responsible for the quality of their submissions. Students may be asked by their instructor how they interacted with AI tools and be prepared to explain and justify their process.

Required Materials

Investment Analysis and Portfolio Management, Reilly, Brown, Leeds, 11th Edition, Nelson Education, 2019

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>

Notes

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

Term Work

Term work will include the following individual assignments:

1. Portfolio Management 1 – there are two ways to complete this assignment:
 - a) if you are an Okanagan College Student Investment Fund (OCSIF) member, you will be performing the risk/return analysis of the fund, and providing your recommendations on optimizing the risk-adjusted return;
 - b) otherwise, you will prepare an IPS for yourself. This will account for 10% of the total grade. In either case, prior to your actual project you will be performing a case study that will be discussed in class.
2. Portfolio Management 2 – quantitative portfolio risk management.
3. Fixed income – you will analyze a bond or a preferred share issue and provide your recommendation in a short research note. If you are an OCSIF member, you will be pitching your bond/pref to the fund as a potential investment.

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

Course Schedule

(Subject to change at the discretion of the professor)

Date		Topic	Textbook
2024 Week of:		Wednesday, September 4th, First day of class Friday, September 13th, Last day to register for Fall 2024 Monday, September 30th, Statutory Holiday (no classes) Monday, October 14th, Statutory Holiday (no classes) Friday, October 25th, Last day to withdraw from class without academic penalty Monday, November 11th, Statutory Holiday (no classes) Friday, December 6th, Last day of class Tuesday, December 10th – Friday, December 20th, Final Exam Period	Chapter(s):
Sep	4	Introduction	
	9	Investment Policy Statement for Individual and Institutional Investors	
	16	Industry Ethics – CFA Code of Ethics and Standards of Professional Conduct Case study – Managing individual investments (Andrew Finds his Mix)	Ch. 2
	23	Assignment 1 is due (Portfolio Management 1) Risk Measurement Performance Measurement and Attribution	Ch. 11, 18
	30	No class on September 30 Assignment 2 is due (Portfolio Management 2) Bonds – Review of interest rate sensitivity, duration and convexity	Ch. 13
Oct	7	Credit Analysis and Relative Value	Ch. 13
	14	No class on October 14 Putting together a credit research report	
	21	Fixed income assignment is due Class discussion of fixed income ideas Common Stock Analysis: Economic Indicators and Industry Analysis	Ch. 8,9 Koller: 6, 9, 10
	28	Review of Company Strategy Financial Ratio Analysis Forecasting, Earnings Quality	Koller: 11 Worksheets
Nov	4	Discounted Cash Flow Valuation Relative Valuation	Koller: 12-15
	11	No class on November 11 Producing a Winning Investment Report and Presentation	
	18	Group Presentations	
	25	Real Estate Analysis and Valuation	
Dec	2	Final Exam Review	

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.