

HR Metrics

**COURSE CODE:** BUAD 460**COURSE TITLE:** Investing in Financial Institutions

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**Calendar Description**

The focus of this course is investment analysis and valuation of financial institutions (FI) such as banks, insurance companies, and asset management firms, both domestic and international. The students gain key insights of FI's strategic positioning, product mix and risk management practices. The students build and examine comprehensive quantitative models for financial analysis, forecasting and valuation of FI shares. In addition, the course reviews the evolution of the regulatory framework for FI in Canada and globally.

**Prerequisite(s):** BUAD 350 and minimum fourth-year standing**Co-requisite(s):** None**Prerequisite For:** None**Substitutable Courses:** None**Graduation Requirement:** BBA, Finance - Elective**Transfer Credit:** None**Special Notes:** None**Credits:** 3**Hours per Week:** 3**Originally Developed:** Fall 2017**EDCO Approval:** Winter 2018

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**CHAIR'S APPROVAL:**

## Learning Outcomes

- Outcome Upon completion of this course students will be able to:
- 1 **Analyze** investment potential of FI's such as banks, insurers and asset managers.
  - 2 **Develop** dynamic financial and valuation models for FI's in Excel.
  - 3 **Evaluate** FI's risk management processes, government oversight and regulation.
  - 4 **Professionally** pitch banking stocks as potential investments.
  - 5 **Debate** evolving and disruptive issues in world's financial systems.

## Course Objectives

- Objectives This course will cover the following content:
- 1 See Course Schedule

## Professors

Name	Phone Number	Office	Email
Elena Mitropolsky	C143		<a href="mailto:emitropolsky@okanagan.bc.ca">emitropolsky@okanagan.bc.ca</a>

## Evaluation Procedure

Group Project and Presentation	35 %
Term work	10 %
Case study/debate	20 %
Final Exam	35 %
<b>Total</b>	<b>100 %</b>

### What is the acceptable and approved use of Artificial Intelligence (AI) in this course?

#### 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

Valuation of Financial Companies, Wiley

Mario Massari, G. Gianfrate, L. Zanetti. – the physical book is available at our bookstore

A free book is also available through the Library:

BUAD 460 title: <https://go.oreilly.com/okanagan-college-library/library/view/-/9781118617267/?ar>

Lecture slides and other readings will be posted on Moodle

### Notes

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/quizzes. Class attendance is required and active class participation/contribution are expected.

Course Format: Interactive lectures, in-class discussions, case studies, assignments, group presentations and a comprehensive final exam.

Case Study: Each group will be assigned a real company or industry case to analyze and debate in class.

Group Project: Each group will be assigned a bank to analyze for portfolio investment purposes. The deliverables include an investment report (40%), an investment presentation to the class (40%), and an Excel model (20%) to be submitted and used during presentation.

## Course Schedule

(Subject to change at the discretion of the professor)

Date		Topic	Textbook
2025 Week of:		Monday, January 6 <sup>th</sup> , First day of class Friday, January 17 <sup>th</sup> , Last day to register for Winter 2025 Friday, January 17 <sup>th</sup> , Last day to withdraw from class without academic penalty Monday, February 17 <sup>th</sup> , Statutory Holiday (no classes) Tuesday, February 18 <sup>th</sup> – Friday, February 21 <sup>st</sup> , Mid-semester break (no classes) Friday, April 11 <sup>th</sup> , Last day of classes Friday, April 18 <sup>th</sup> and Monday, April 21 <sup>st</sup> – Statutory Holidays (no classes) Tuesday, April 15 <sup>th</sup> – Tuesday, April 29 <sup>th</sup> – Final Exam Period	Chapter(s):
Jan	6	Introduction: Overview of the global financial systems Banks, insurance companies and asset managers: business model Economics of banking	
	13	Commercial and Investment banks Analysis of banks' strategies, business models and products	
	20	Analysis of banks' financial statements	
	27	Building a financial model for a bank	
Feb	3	Bank Valuation	
	10	What makes a bank a good investment?	
	17	No Classes – Mid-semester study break	
	24	Group presentations: Banks	
Mar	3	Overview of the insurance industry: life and health, property and casualty, reinsurance P&C insurance - strategy, financial statements analysis	
	10	Life insurance – strategy, financial statements analysis Understanding the insurance reserves	
	17	Asset Managers: business model, products, fiduciary responsibility Analysis and valuation of a mutual fund company	
	24	Case Study 1: Interest rate and regional banks Case Study 2: Acquisition of Canadian Western Bank by National	
	31	Case Study 3: TD money laundering scandal in the US	
Apr	7	Final Exam Review	
	15	<b>Final Exam Period</b>	

## 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](http://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, 6<sup>th</sup> 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.