

**COURSE CODE:** BUAD 350

**COURSE TITLE:** Capital Markets

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**Calendar Description**

This course provides the student with a contemporary view of capital markets. It studies financial institutions and instruments. Among financial intermediaries, the key role of investment banking will be stressed. Traditional instruments such as equity and debt securities, along with their derivatives and asset securitization will be discussed. Current events will also be discussed. (also offered by Distance Education)

**Prerequisite(s):** BUAD 296 and a minimum 3rd year standing

**Co-requisite(s):** None

**Prerequisite For:** BUAD 353 and BUAD 450

**Substitutable Courses:** None

**Graduation Requirement:** Elective for BBA degree

**Transfer Credit:** N/A

**Special Notes:** None

**Credits:** 3

**Hours per Week:** 3

**Originally Developed:** August 2013

**EDCO Approval:** November 2013

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**CHAIR'S APPROVAL:**



## Learning Outcomes

- Outcome Upon completion of this course students will be able to:
- 1 **Perform** valuation of stocks and bonds.
  - 2 **Analyze** return and risk of a multi-asset portfolio; apply and interpret the Markowitz.
  - 3 **Efficient** frontier in diversification and asset allocation.
  - 4 **Demonstrate** the knowledge of the organization and functioning of the stock market, the market efficiency theory, and the psychology and behaviour of investors.
  - 5 **Understand** the trading processes and actively trade common stocks, bonds and options.
  - 6 **Discuss** derivative securities and their uses.

## Course Objectives

- Objectives This course will cover the following content:  
See weekly course schedule below– Schedule may be changed at professor’s discretion.

## Professors

Name	Phone Number	Office	Email
Bevan Ferreira	Ext 4186	KLO – C123	<a href="mailto:bferreira@okanagan.bc.ca">bferreira@okanagan.bc.ca</a>

## Evaluation Procedure

StockTrak Investment Practice and Competition	20 %
Participation and contribution in class	10 %
Midterm Exam	30 %
Final Exam	40 %
<b>Total</b>	<b>100 %</b>

## Course Policy on the Use of Artificial Intelligence

**Generative AI tools are not permitted in any case:** The use of generative AI tools, including ChatGPT and other similar tools, to complete or support the completion of any form of assignment or assessment in this course is not allowed, except where specifically authorized and/or encouraged by the Instructor. Use of these tools is considered cheating through the use of unauthorized aids (see Academic Integrity Policy section 6.1) and would be considered academic misconduct and have serious consequences, including but not limited to, a grade of zero on the assignment or assessment or a grade of zero in the course.

## Required Materials

Investment Analysis and Portfolio Management, Reilly, Brown, Leeds, 12th Edition, Nelson Education, 2025

StockTrak Gold Membership (18 weeks - \$34.95 USD)

<https://www.stocktrak.com/members/register?sessionid=341799>

## Notes

Students must earn half of all available exam marks to achieve a passing grade in the course. There will be no make-up or supplementary exams. Class attendance is required and active class participation/contribution are expected.

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## StockTrak Investment Practice and Competition

1. Each student will need to register an individual account at StockTrak (link provided).
2. You are an individual investor, and you can trade common stocks, bonds, and options, and you need to hold at least one bond position in your portfolio.
3. You are allowed to trade on margin and to short-sell, if so desired, but you are not required to do so. Your work is evaluated based on a written investment report (50%), and the ranking in the competition (50%) – which will assess your effective use of strategy, analysis, planning, and the requirements of sound risk management.
4. The investment report should reflect the student's knowledge of securities analysis and portfolio management. It should include the following sections:
  - Transaction history and justifications for each transaction
  - An essay stating what has been learned from the competition

## Course Schedule

(Subject to change at the discretion of the professor)

Date		Topic	Textbook
2025 Week of   <b>Wk#</b>		Wed, Sep 3 - Classes begin Fri, Sep 12 - Add/drop date - Last day to register for a course and last day to receive a refund for course drop <b>Tue, Sep 30 - Statutory Holiday (no classes)</b> <b>Mon, Oct 13 - Statutory Holiday (no classes)</b> Fri, Oct 24 - Last day to withdraw from a course without academic penalty <b>Mon, Nov 10 - No classes</b> <b>Tue, Nov 11 - Statutory Holiday (no classes)</b> Fri, Dec 5 - Last day of regularly scheduled classes Tue, Dec 9 - Thu, Dec 18 - Final exam period – see <a href="#">policy</a> .	Chapter(s):
Sep 3	1	Introduction Review of risk and return Asset allocation and security selection	1,2
8	2	Review of asset classes and capital market participants Trading process and transactions Market Indices and Exchange Traded Funds (ETFs)	3,4
15	3	Introduction to portfolio management: risk and return, the efficient frontier Asset pricing models – focus on Capital Asset Pricing Model (CAPM)	6,7
22	4	Common Stock Analysis – Understanding and Interpreting Financial Statements for Investment Decisions	
29	5	Common Stock Analysis – Introduction to relative valuation Common Stock Analysis – Introduction to DCF Valuation	8
Oct 6	6	Introduction to Behavioral Finance and Technical Analysis	5
13	7	Review / <b>Mid-term Exam</b>	
20	8	Money Market and Bond Instruments, Understanding the Yields Bonds: The Term Structure of Interest Rates	12
27	9	Bonds: Duration and Convexity	12
Nov 3	10	Bonds: Valuation	
10	11	Bonds: Valuation and Strategies	14
17	12	Introduction to Real Estate and Alternative Investments	16
24	13	Review Investment Report Due Trading Game Results Announced	
30	14	Review continued	
		<b>Final exam period: Dec 9 – Dec 18</b>	

## Skills Across the Business Curriculum

The 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

#### **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.

**Academic Honesty:** Students have a responsibility to read the [OC Academic Integrity Policy](#).

#### **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 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 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 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 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.

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Last Updated: April 7, 2025 (New Academic Integrity Policy Link)