

**A: Division:** INSTRUCTIONAL **Date:** JANUARY 1999  
**B: Faculty:** COMMERCE AND BUSINESS ADMINISTRATION **New Course:** X  
**Program:** BUSINESS **Revision of Course Information form:**  
**C: FINC 390** **D: SECURITY ANALYSIS** **E: 3**

**Subject & Course No.**
**Descriptive Title**
**Semester Credit**

**F: Calendar Description:** This course focuses on the analysis of individual equity and fixed income investment securities using advanced theoretical, fundamental and technical techniques.

**Summary of Revisions:**

**G: Type of instruction: Hrs per week**

Lecture:	4	Hrs.
Laboratory:		Hrs.
Seminar:		Hrs.
Clinical Experience:		Hrs.
Field Experience:		Hrs.
Practicum:		Hrs.
Shop:		Hrs.
Studio:		Hrs.
Student Directed Learning:		Hrs.
Other (Specify):		
Total:	4	Hrs.
Semester Total:	60	Hrs.

**H: Course Prerequisites:**  
FINC 345

**I: Course Corequisites:**  
Nil

**J: Course for which this Course is a Prerequisite:**  
Nil

**K: Maximum Class Size:**  
35

**L:**

College Credit Transfer	<input type="checkbox"/>
College Credit Non-Transfer	<input checked="" type="checkbox"/>
Non-Credit	<input type="checkbox"/>

**M: Transfer Credit:**

Requested:	<input type="checkbox"/>
Granted:	<input type="checkbox"/>

Specify Course Equivalents or Unassigned Credit as appropriate:

BCOU  
SFU  
UBC  
UNBC  
UVIC  
Other:

Course Designer(s): Elisabeth Carter

Dean: J. Sator

Vice-President Instruction: J. McKendry

Registrar: P. Angus

**N: TEXTBOOKS AND MATERIALS TO BE PURCHASED BY STUDENTS**

Radcliffe, Robert. Investment Concepts Analysis Strategy, latest ed. Don Mills: Addison Wesley Longman Ltd.

**O: COURSE OBJECTIVES**

The student will be able to select (and justify) appropriate investments in both the equity and fixed income segments of the securities market taking into consideration the impact of the economy (both national and global), industry variables, company specifics and investor psychology.

**P: COURSE CONTENT**

1. Introduction to the investment markets
  - primary and secondary markets
  - exchange trading and over the counter
  - types of securities
  - types of investors
  - basic investment concepts: risk free rates, return and risk measurement.
2. Macroeconomic and industry analysis
  - interest rates, monetary and fiscal policy as they affect the markets
  - the business cycle
3. Industry analysis
  - sensitivity to business cycles
  - industry and company life cycles
  - industry analysis using appropriate models
4. Equity valuation
  - financial statement analysis
  - dividend valuation or present value model
  - alternative valuation techniques including: book, liquidation, replacement and substitution value
  - price earnings ratios
  - cash flow analysis
  - dividend policy
5. Technical analysis
  - definition of technical analysis
  - analysis of market trends with emphasis on individual stock trends

6. Fixed income securities
  - money markets and bond trading
  - creation and sale of new debt issues
  - bond trading
  - interest rates and yield structures
  - bond investment strategies: passive and active
  - risk management including duration and immunization
7. Primary derivatives: warrants, rights, strip bonds

**Q: METHOD OF INSTRUCTION**

Material will be presented within a lecture format.

**R: COURSE EVALUATION**

Minimum of 3 evaluations, none of which will exceed 40%, for a total of 100%.

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