Business Administration

Course Number:	**BUAD 468**
Course Title:	**SELECTED TOPICS: FINANCE – INVESTING IN FINANCIAL INSTITUTIONS**
Credits:	3
Calendar Description:	The focus of this course is investment analysis and valuation of financial institutions (FI's) such as banks, insurance companies, and asset management firms, both domestic and international. It provides key insights of FI's strategic positioning, product mix and risk management practices. It develops 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's in Canada and globally.
Semester and Year:	**WINTER 2019**
Prerequisite(s):	BUAD 350 and minimum fourth-year standing
Corequisite(s):	No
Prerequisite to:	No
Final Exam:	Yes
Hours per week:	3
Graduation Requirement:	Elective – BBA, Finance
Substitutable Courses:	No
Transfer Credit:	No
Special Notes:	
Originally Developed:	Fall 2017
EDCO Approval:	
Chair's Approval:	

Professors

Name	Phone	Office	Email
Elena Mitropolsky ***Course Captain***	**250-762-5445**	**K: C143**	**emitropolsky@okanagan.bc.ca**

Learning Outcomes

Upon completion of this course students will be able to

- analyze investment potential of FI's such as banks, insurers, and asset managers based on their business models, strategic positioning, product portfolios, financial statements and stock performance.
- design and develop valuation models for banks, insurers, and asset managers.
- evaluate and critique FI's risk management processes and their effectiveness.
- assess and discuss the unique and essential role of FI' in the Canadian and world economies, and the importance of proper regulation.

Course Objectives

This course will cover the following content:

- See weekly schedule

Evaluation Procedure

Individual Project	20%
Group Project and Presentation	25%
Participation and contribution	10%
Case Study	15%
Final Exam*	30%
Total	100%

Notes

In order to pass this course, the student must obtain a weighted average of 50% or higher on 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: Lectures, in-class discussions, case studies, reading assignments, individual project, group presentations and a comprehensive final exam.
Individual Project: Each student will submit an investment research report on an assigned bank following a quarterly earnings release.
Case Study: Each group will be assigned a case to analyze and discuss in class. **Case Pack: It is mandatory that each student should purchase his/her own case pack directly from Ivey, due to copyright requirements.** Instructions on how to purchase your case pack will be provided in the first class, and will be posted on Moodle. Please keep your receipts in case Ivey asks to see them.
Group Project: Each group will be assigned a financial institution to analyze for portfolio investment purposes. The deliverables include an investment presentation to the class, and an Excel model to be submitted and used during presentation.

Required Texts/Resources

A Custom Case Pack
Other required readings will be posted on Moodle
Lecture slides will be posted on Moodle

Course Schedule

Date		Topic
Week of:		Monday, January 7 - Classes Start Monday, February 18 – Family Day (no classes) Tuesday, February 19 - Friday, February 22 – Reading Week (no classes) Friday, April 12 – Last Day of Regular Classes Friday, April 19 – Monday, April 22 – Easter (no classes)
Jan	7	Introduction Review of main types of financial institutions and their functions and roles: banks, insurance companies, asset managers Reading: Note on How to Analyze a Bank Reading: Federal Reserve and the Banking Crisis Reading: Monetary Policy and Bank Supervision
	14	Banks: history and present, how Canadian banks measure within the global landscape and why Analysis of banks' business models and products Review of banks' financial statements
	21	Banks' financial ratio analysis and forecasting Building a financial model to value a bank Case 1: Comerica Case 2: Standard Chartered
	28	Financial crisis 2007/2008 and its impact on the banks Regulation of the banking sector pre and post financial crisis Understanding Risk-Weighted Assets (RWA) Case 3: Deutsche Bank and the Road to Basel 3
Feb	4	Credit risk, Interest Rate Risk Case 4: Wells Fargo Case 5: TD Bank
	11	Operational risk and liquidity risk *Individual report due*
	18	No classes: READING BREAK *(Feb 12 to 16 – no classes)*
	25	Life insurance companies (lifecos): business model, products Lifecos' risk factors and risk management, regulation Reading: US Life Insurance Industry
Mar	4	Analysis of lifecos' financial statements Valuation of a lifeco
	11	Property and casualty insurance (P&C): business model, products, understanding the cycle Case 6: Progressive
	18	Analysis of P&C financial statements Building a financial model to value a P&C
	25	Asset Managers: business model, products, fiduciary responsibility Analysis and valuation of a mutual fund company Reading: The Vanguard Group
Apr	1	Group Presentations
	8	Group Presentations Review

Apr	15-29	Final Exam Period (Final Exam)

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.