Business Administration

Course Number:	**BUAD 350**
Course Title:	**CAPITAL MARKETS**
Credits:	3
Calendar Description:	This course provides the student with a contemporary view of capital markets. Students examine financial institutions and instruments. Among financial intermediaries, the key role of investment banking will be emphasized. 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).
Semester and Year:	**FALL 2021**
Prerequisite(s):	BUAD 296 and a minimum 3rd year standing
Corequisite(s):	No
Prerequisite to:	BUAD 353 and BUAD 450
Final Exam:	Yes
Hours per week:	3
Graduation Requirement:	Elective – BBA
Substitutable Courses:	No
Transfer Credit:	CUIC
Special Notes:	No
Originally Developed:	August 2013
EDCO Approval:	November 2013
Chair's Approval:	

Professor

Name	Phone number	Office	Email
Nakita Edwards ***Course Captain***	**250-762-5445 ext. 4564**	**C111**	**nedwards@okanagan.bc.ca**

Learning Outcomes

Upon completion of this course students will be able to

- Perform valuation of bonds, stocks, and real estate securities
- Analyze return and risk of a multi-asset portfolio; apply and interpret the Markowitz efficient frontier in diversification and asset allocation.
- Demonstrate the knowledge of the organization and functioning of the stock market, the market efficiency theory, and the psychology and behaviour of investors
- Understand the trading processes and actively trade common stocks, bonds and options
- Discuss derivative securities and their uses

Course Objectives

This course will cover the following content:

*See weekly schedule.

Evaluation Procedure

StockTrak Investment Practice and Competition	20%
Participation and contribution including in-class practice	10%
Mid-term Exam	30%
Final Exam	40%
Total	100%

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.

StockTrak Investment Practice and Competition

1. Each student will need to register an individual account at:

https://www.stocktrak.com:443/members/registerstudent?className=BUAD350-FALL2020

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. You are allowed to trade on margin and to short-sell, if so desired. Your work is evaluated based on a written investment report (50%), and the final ranking in the competition (50%) – both absolute, and on a risk-adjusted basis.

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

Required Texts/Resources

Investment Analysis and Portfolio Management, Reilly, Brown, Leeds, 11th Edition, Nelson Education, 2019, ISBN: 9781305262997

Recommended:
Behavioural Corporate Finance, Shefrin, Second Edition, ISBN 9781259277207

Other required readings will be posted on Moodle
Lecture slides will be posted on Moodle

Course Schedule

Date		Topic	Textbook
2021 Week of:		Classes Start: Wednesday, September 8 STAT Thursday, September 30 STAT Monday, October 11 STAT Thursday, November 11 & 12 Last day of regularly scheduled Classes: Monday, December 6	
Sep	8-10	Introduction Review of risk and return Asset allocation and security selection	Ch. 1-2
	13-17	Review of asset classes and capital market participants Trading process and transactions Market Indices and Exchange Traded Funds (ETFs)	Ch. 3, 4
	20-24	Introduction to portfolio management: risk and return, the efficient frontier Asset pricing models – focus on Capital Asset Pricing Model (CAPM)	Ch. 6-7
Sep/Oct	27-01	Common Stock Analysis – Understanding and Interpreting Financial Statements for Investment Decisions	
Oct	4-8	Common Stock Analysis – Introduction to relative valuation Common Stock Analysis – Introduction to DCF Valuation	Ch. 8
	11-15	Introduction to Behavioral Finance and Technical Analysis	Ch. 5
	18-22	Introduction to Behavioral Finance and Technical Analysis **Mid-term Exam**	Ch. 5
	25-29	Money Market and Bond Instruments, Understanding the Yields Bonds: The Term Structure of Interest Rates	Ch. 12
Nov	1-5	Bonds: Duration and Convexity	Ch. 12
	8-12	Introduction to Real Estate Investments	
	15-19	Derivatives: Forwards and Futures	Ch. 15
	22-26	Derivatives: Options	Ch. 16
Nov Dec	29-3	Review Investment Report Due Trading Game Results Announced	
Dec	8-18	Final Exam Period (Final Exam)	

This schedule is subject to change at the discretion of the instructor.

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, 7^{h} edition (2019). 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.