

## Mission Statements

### John Molson School of Business:

We educate students to enable them to become business leaders and responsible global citizens. We place strong emphasis on teaching, research and scholarship, and we strive for an intellectual climate in which excellence, innovation and imagination flourish. As an urban business school, we welcome Concordia's multilingual and multicultural constituency. Our international faculty, diverse student body, strong links to the local business community and relationships with international partners provide a learning environment that responds to the demands of a global economy and recognizes the realities of the contemporary world to achieve a better future.

**Semester:** Summer 2016

**Section:** AA

**Class Time:** Mon-Wed 18:30-21:00

**Room:** MB S2.115 SGW

**Instructor:** Hamed Ghanbari

**Email** hamed.ghanbari@concordia.ca

**Office location:** MB 12.280

**Office hours:** Mon 21:00-22:00, or by appointment

This syllabus is provided for informational purposes regarding the anticipated course content and schedule of this course. I will communicate any change in the syllabus in a timely manner using Moodle. Students are responsible for being aware of these changes.

### Course Objectives:

This course is devoted to an examination of the investment decision, both from the viewpoint of the individual investor and the institutional investor. It will help you develop the skills needed by an effective investor. These skills include familiarity with investment securities and financial markets, the ability to apply different security valuation methods, and an understanding of the various investment strategies such as speculation, arbitrage, and hedging that can be effectively used by investors. We also study the techniques that examined by analysts to pick investments such as fundamental analysis and technical analysis. For those who wish to pursue a career in investment management the complementary course (FINA 411) is recommended.

**Prerequisites:** FINA 380 or 385; FINA 390 or 395.

**Recommended:** ACCO 320 and ACCO 330.

### Text:

- *Investment Valuation*. 3<sup>rd</sup> Edition (University Edition), **Author:** Aswath Damodaran, **ISBN-13:** 978-1-118-13073-5
- *Investments*. 8<sup>th</sup> Canadian Edition, **Authors:** Zvi Bodie, Alex Kane, Alan Marcus, Stylianos Perrakis, Peter Ryan, **ISBN-13:** 978-007133887-5

**Note:** If you already own other recent editions of the text, you may use it. However, be aware that the sequence of materials might be different.

### Course Assessment & Evaluation:

Assignments and projects	20%
Midterm Exam	30%
Final Exam	50%

**Note 1:** A minimum grade of 40% on the final and 50% overall is required to pass the course.

**Note 2:** If you miss the midterm examination, I require official documentation of the reason you missed the exam within three business days. Official documentation entails a medical note issued by a medical doctor with a Canadian license number or a police report indicating the reason for missing the midterm. If you do provide official documentation, the weight will be added to the final exam. Submit the document to the mailbox of Hamed Ghanbari in the MB 12<sup>th</sup> floor Finance Department. In case you are unable to submit the proof to my mailbox on time, send me an electronic copy within the first three business days after the Midterm date. Failing to do so will result in zero points for the midterm and no alternate exam will be granted.

**Note 3:** No makeup exams will be given.

### Assignments:

There will be two take home assignments, each of which accounts for 5%. Once assigned, you will have a predetermined number of days to complete it (see tentative course outline for more details). Note that you will need to hand in your assignments at the beginning of the class. Note also that no electronic submission will be considered and no extension will be granted.

In case you miss any assignment, its weight will be transferred to the final if and only if you meet the requirement of Note 2 (see above). Failing to do so will result in zero points for the respective assignment and no alternate assignment will be granted.

You also have a Bloomberg assignment, accounts for 10%. You have to take part in Bloomberg Market Concept (BMC) online course, accessible via Bloomberg Terminals at John Dobson - Formula Growth Investment Room, located in MB 12.254 SGW. Bloomberg Market Concepts (BMC) is an 8 hour self-paced e-learning course that provides a visual introduction to the financial markets. BMC consists of 4 modules (Economics, Currencies, Fixed Income and Equities) woven together from Bloomberg data, news, analytics and television. You have to finish the course and answer all the questions until the last day of semester (see tentative course outline for more details). After completing the course and finishing all modulus you can access your certificate of completion under BMC homepage. You can cite your participation on you CV.

Note that this course costs you \$249 USD or \$149 USD with an educational (.edu, .ac) email address but you can access it for free at John Dobson - Formula Growth Investment Room. To access this course you need to create an account via Bloomberg terminals. You can find more information about BMC at <http://about.bloomberginstitute.com/bloomberg-market-concepts/>.

### Midterm Examination:

The midterm examination will be held during the regular class time and its locations will be announced in class as well as through the Moodle. You should bring picture ID with you to all examinations.

If you feel that your midterm grade is incorrect, you must notify me in writing during the one week period following the return of the midterm. After that, the problem will not be researched. Please note that a request to have a question on your midterm re-graded entails a request to have the entire exam re-graded.

Exam is closed book, closed notes. A one page (double sided) formula sheet is allowed.

### Final Examination:

The final exam is cumulative and will be organized by the exam office. Once assigned, you can find the exam date, time, and location through your myconcordia portal. You should bring picture ID with you to all examinations.

Exam is closed book, closed notes. A one page (double sided) formula sheet is allowed.

### Approved Calculators:

For all the examinations, a scientific and/or financial calculator is required. Calculators with the capacity for alpha-numeric programming are not allowed.

### Letter Grade Distribution:

A+	90-100	B+	76-79	C+	67-69	D+	57-59	
A	85-89	B	73-76	C	63-66	D	53-56	FNS<50
A-	80-84	B-	70-72	C-	60-62	D-	50-52	

### Course Policies & Classroom Decorum:

- Class time will primarily focus on lectures, problem-solving, and discussion of the financial concepts and tools found in the book. My view is that “learning by doing” is the best way to understand these subjects. In class I try not to review a lot of the material that you have already read in the textbook. Instead, I provide a broad overview and work with students to solve problems that require the knowledge contained in the book.
- I do not take attendance.
- Students are free to come and to leave class so long as they do so quietly. If you need to talk to a colleague or on the cell-phone, please excuse yourself from the room to do so and return when you can.
- Laptops may be used only in the back row of the class so that these devices do not distract anyone sitting behind the laptop user.
- You may bring food or drink into the classroom as long as it does not disturb other students and me - it should not have strong odor and should not make noise (e.g.: bag of crackers).
- Taking photos, recording videos or sound are NOT permitted in this course. Failure to abide by this rule is a breach of academic integrity and will be taken very seriously.
- Students with special needs are expected to inform the Instructor as soon as possible.

## **Academic Integrity & Code of Conduct:**

I expect honesty and integrity from my students. Cheating of any sort will be dealt with as sternly as University policy allows.

The Academic Code of Conduct at Concordia University states that the “integrity of University academic life and of the degrees, diplomas and certificates the University confers is dependent upon the honesty and soundness of the instructor-student learning relationship and, in particular, that of the evaluation process. As such, all students are expected to be honest in all of their academic endeavors and relationships with the University.” (Undergraduate Calendar, section 17.10.3, or Graduate Calendar, Academic Code of Conduct).

All students enrolled at Concordia are expected to familiarize themselves with the contents of this Code. Students are strongly encouraged to read the pertinent section in the Concordia Undergraduate calendar and visit the following web address: <http://www.concordia.ca/students/academic-integrity.html>, both of which provide useful information about proper academic conduct. Make sure to take the Academic Integrity Test if you have not done it already.

## **Plagiarism:**

The most common offense under the Academic Code of Conduct is plagiarism which the Code defines as “the presentation of the work of another person as ones own or without proper acknowledgment.” This includes material copied word for word from books, journals, Internet sites, professors course notes etc. It refers to material that is paraphrased but closely resembles the original source. It also includes for example the work of a fellow student, an answer on a quiz, data for a lab report, a paper or assignment completed by another student. It might be a paper purchased from any source. Plagiarism does not refer to words alone it can refer to copying images, graphs, tables and ideas. “Presentation” is not limited to written work. It includes oral presentations, computer assignment and artistic works. Finally, if you translate the work of another person into any other language and do not cite the source, this is also plagiarism.

In Simple Words: Do not copy, paraphrase or translate anything from anywhere without saying where you obtained it! (Source: The Academic Integrity Website)

## **Concordia Support Services:**

Concordia University offers many on-campus support services that are available to students free of charge. You can also visit <http://www.concordia.ca/students/campus-services.html> for direction to various support services. It is a useful facility that guides students to a specific support service that can provide appropriate assistance. Here is a list of some useful services at Concordia University:

- Finance Subject Guide: <http://www.concordia.ca/library/guides/finance.html>.
- JMSB Research Search Tool: <http://www.concordia.ca/jmsb/research/search-tool.html>.
- Concordia Library Citation Guides: <http://library.concordia.ca/help/howto/citations.html>.
- Academic Integrity: <http://www.concordia.ca/students/academic-integrity.html>.
- Access Center for Students with Disabilities: <http://www.concordia.ca/offices/acsd.html>.
- Advocacy and Support Services: <http://www.concordia.ca/offices/advocacy.html>.
- Counselling and Psychological Services: <http://www.concordia.ca/students/counselling-life-skills.html>.
- CSU Advocacy Centre: <https://csu.qc.ca/advocacy>.

- Dean of Students Office: <http://www.concordia.ca/offices/dean-students>.
- Financial Aid and Awards: <http://www.concordia.ca/offices/faao.html>.
- Health Services: <http://www.concordia.ca/students/health.html>.
- Off Campus Housing and Job Bank (HOJO): <https://csu.qc.ca/hojo>.
- International Students Office: <http://www.concordia.ca/students/international>.
- New Student Program: <http://www.concordia.ca/students/new.html>.
- Student Hub: <http://www.concordia.ca/students>
- Student Success Centre: <http://www.concordia.ca/students/success>.

### Tentative Course Outline:

Please note that this schedule is tentative, so the weekly coverage might change as it depends on the progress of the class.

To be well-prepared for this course, I highly advise you to review Appendix A (Quantitative Review) from *Investments* 8<sup>th</sup> Canadian Edition.

	Date	Chapter	Content
1	Mon. May 2	Bod. Ch#2	<ul style="list-style-type: none"><li>• Financial Markets and Instruments</li></ul>
2	Wed. May 4	Dam. Ch#1 Dam. Ch#2	<ul style="list-style-type: none"><li>• Introduction to Valuation</li><li>• Approaches to Valuation</li><li>• Technical vs. Fundamental Analysis</li></ul>
3	Mon. May 9	Bod. Ch#9 Dam. Ch#6	<ul style="list-style-type: none"><li>• Market Efficiency</li></ul>
4	Wed. May 11	Bod. Ch#10	<ul style="list-style-type: none"><li>• Behavioural Finance and Technical Analysis</li></ul>
5	<b>Sat. May 14</b>	<b>11.30 - 14.00</b>	<ul style="list-style-type: none"><li>• Bloomberg Session @ John Dobson - Formula Growth Investment Room (<b>MB 12.254</b>)</li></ul>
6	Mon. May 16	Bod. Ch#15	<ul style="list-style-type: none"><li>• Macroeconomics and Industry Analysis</li></ul>
7	Wed. May 18	Bod. Ch#17 Dam. Ch#3	<ul style="list-style-type: none"><li>• Financial Statement Analysis</li></ul>
8	Mon. May 23	Dam. Ch#9 Dam. Ch#10	<ul style="list-style-type: none"><li>• Financial Statement Analysis - Cont.</li><li>• Earnings and Cash Flows</li></ul>
	Wed. May 25		<ul style="list-style-type: none"><li>• <b>Assignment#1 Due Date</b></li></ul>
9	Mon. May 30		<ul style="list-style-type: none"><li>• <b>Midterm Exam</b></li></ul>
10	Wed. June 1	Bod. Ch#16 Dam. Ch#11	<ul style="list-style-type: none"><li>• Equity Valuation Models</li><li>• Dividend Discount Model</li></ul>
11	Mon. June 6	Dam. Ch#13 Dam. Ch#14	<ul style="list-style-type: none"><li>• Estimating Growth</li><li>• Free Cash Flow Model</li></ul>
12	Wed. June 8	Bod. Ch#19 Dam. Ch#5	<ul style="list-style-type: none"><li>• Option Valuation</li></ul>
13	Mon. June 13		<ul style="list-style-type: none"><li>• Unfinished Business</li><li>• <b>Assignment#2 Due Date</b></li><li>• <b>BMC Course Due Date</b></li></ul>
	June 16 - June 22		<ul style="list-style-type: none"><li>• <b>Final Exam (During Final Exam Period)</b></li></ul>

### Disclaimer:

In the event that the University is unable to provide services or that courses are interrupted due to events beyond the reasonable control of the University, including classroom disruptions, the University reserves the right to modify any element contained in this course outline including but not limited to the grading scheme and the weights accorded to exams and assignments.