



**DALHOUSIE
UNIVERSITY**

Inspiring Minds

MBA Program Dalhousie University
School of Business Administration
Faculty of Management

Business 6206: Investment and Money Management

Instructor:	Dr. Iraj Fooladi
Office::	2018 Kenneth C. Row Management Building
Telephone:	(902) 494 - 1843
E-mail	iraj.fooladi@dal.ca
Office hours:	TU 14:30 – 16:30, or by appointment.

Pre-Requisites for Course: BUSI 5201

Learning Objectives

This course is designed to introduce you to the basics of the Modern Investment and Portfolio Theory and its application to Money Management. The intention is to provide you with the needed technical and operational skills to successfully face the challenging world of investment and money management. In particular, a considerable effort will be made to compare and contrast investment approaches suggested in various theories with the activities of money managers on the street.

Approach Taken

The class will be run by *interactive* lectures. This means that students are expected to come to class prepared and actively participate in class discussions. The easiest way to do that is to **read the materials that are designed for each lecture prior to the date the lecture is given.** Class participation is required and counts for 10% of the total grade. I will not take attendance record. However, obviously class participation requires that you be present in class.

Learning Materials

Text

1. Z. Bodie, A. Kane, A. Marcus, S. Perrakis, P. Ryan, *Investments*, 6th Canadian edition, McGraw-Hill Ryerson, 2008. (**Bodie**).
2. Investment Notes (will be put on the web) and Outside Reading Materials

Supplementary Reference Books: (Optional, in reserve at the library, no need to buy)

Elton, E.J., M.J. Gruber, S.J. Brown, and W.N. Goetzmann, *Modern Portfolio Theory and Investment Analysis*, 7th edition, John Wiley & Sons, Inc., 2007. (Elton & Gruber).

Students should plan to purchase the text. Other materials will be put on the web or will be available in Teresa Walsh's office on the fourth floor of the Rowe Management Building (room 4114) and students will be informed to pick them up. Supplementary books are only introduced as references and are placed on reserve at the Killam Library.

In addition to the material in the text, a few outside readings may be assigned. These readings will be selected from the literature that presents the most recent developments in theory and practice of money management. You are expected to read and have a general understanding of the distributed materials. However, when is emphasised in class, a more in-depth understanding is required. You are encouraged to discuss with me how to prioritise your time on the materials. Some of the materials for this course (course outlines, project description, solution to the assigned exercise problems, etc.) will be available in the “M drive” and/or can be accessed through the “Net Storage” at “my.dal.ca.”

Method of Evaluation

In addition to the midterm and the final examinations you will have a project assignment. In this project assignment, you will select **a research project on some real world investment issues**. The research project is intended to enhance your understanding of various issues in the investment world. You may choose to work on these assignments in a team of no less than two and not more than four. Each team will submit a single project report and all team members will receive the same grade for the team's report. Therefore, **it is absolutely crucial to pick a partner whom you would consider fair and reasonable, and with whom you can work comfortably**. The project reports *must be typed* and submitted on the *due date (November 27, 2009)*. *You must obtain a passing average on individual work (the examinations and class participation) in order to pass the course. Missing either of the examinations without a legitimate reason will result in a grade of zero for that examination. In case of illness, medical notes should be submitted to the MBA Office.*

Grading Scale for Masters Students

Grading Scale as per Faculty of Graduate Studies Calendar

Letter Grade	Regulation 6.6.2 Grading Policy	
	Numerical % equivalent	
A+	90 - 100	
A	85 - 89	
A-	80 - 84	
B+	77 - 79	
B	73 - 76	
B -	70 - 72	
F	0-69	

Method of Evaluation/ Marking Scheme:.

Class Participation	10%
Project Reports	40%
Mid-term Examination	20%
Final Examination	<u>30%</u>
	100%

Please Note: One or more students in this course will receive the “Douglas C. Mackay Award for Excellence in Money Management.” The award includes a plaque and financial reward, and will be given to students with a career interest in money management and an outstanding performance in the course. This award is made possible by the generosity of one of our alumni, Dr. Douglas C. Mackay.

Ground rules

You must arrive in class on time and stay in for the duration of class. If for some legitimate reasons you were to be late or had to leave class early, you should let me know in advance. **You are expected to read the materials for each session prior to the lecture date that is designed for those materials.**

Experience shows that students who follow this practice will have much better performance in the course than those who read the same materials after the lecture. **Please note that all cell phones must be turned off during the lecture and eating is absolutely prohibited in class.** If you are bringing your laptop in class, it must solely be used for the lecture purpose. Checking e-mails and going into chat rooms while lecture is in the process is not allowed.

Certificates of illness

Medical notes must be submitted to the MBA office. Please note that it is a university regulation that medical notes will not normally be accepted after a lapse of more than one week from the examination or assignment completion date.

Students with disabilities.

Students with disabilities are encouraged to register as quickly as possible at the Student Accessibility Services if they want to receive academic accommodations. To do so please phone 494-2836, e-mail access@dal.ca, or drop in at the Killam, G28 or visit our website at www.studentaccessibility.dal.ca.

Academic Integrity

1. In general:

The commitment of the Faculty of Management is to graduate future leaders of business, government and civil society who manage with integrity and get things done. This is a non-negotiable in our community and it starts with your first class at Dalhousie University. So when you submit any work for evaluation in this course or any other, please ensure that you are familiar with your obligations under the Faculty of Management's Academic Integrity Policies and that you understand where to go for help and advice in living up to our standards. You should be familiar with the Faculty of Management Professor and Student ***Contract on Academic Integrity*** and it is your responsibility to ask questions if there is anything you do not understand. See <http://management.dal.ca/Files/AcademicIntegrity.pdf>

Dalhousie offers many ways to learn about academic writing and presentations; so that all members of the University community may acknowledge the intellectual property of others. Knowing how to find, evaluate, select, synthesize and cite information for use in assignments is called being "information literate." Information literacy is taught by Dalhousie University Librarians in classes and through online tutorials. See Researching Ethically tutorial at <http://infolit.library.dal.ca/tutorials/Plagiarism/>

Do not plagiarize any materials for this course. Further guidance on what constitutes plagiarism, how to avoid it, and proper methods for attributing sources, *please see* <http://plagiarism.dal.ca/Student%20Resources/>

Please note that Dalhousie University now subscribes to **Turnitin.com**, a computer based service that checks for originality in submitted papers. Any paper submitted by a student at Dalhousie University may be checked for originality to confirm that the student has not plagiarized from other sources. Plagiarism is considered a very serious academic offence that may lead to loss of credit, suspension or expulsion from the University, or even the revocation of a degree. It is essential that there be correct attribution of authorities from which facts and opinions have been derived. At Dalhousie, there are University Regulations which deal with plagiarism and, prior to submitting any paper in a course, students should read the Policy on Intellectual Honesty contained in the Calendar or on the Dalhousie web site at: <http://www.registrar.dal.ca/calendar/ug/UREG.htm#12>

Furthermore, the University's Senate has affirmed the right of any instructor to require that student papers be submitted in both written and computer readable format, and to submit any paper to a check such as that performed by Turnitin.com. As a student in this class, you are to keep an electronic copy of any paper you submit, and you may be required to submit that electronic copy. Copies of student papers checked by this process will be retained by Turnitin.com.

If you suspect cheating by colleagues or lapses in standards by a professor, you may use the confidential email: ManagementIntegrity@dal.ca which is read only by the Assistant Academic Integrity Officer.

2. School of Business clarification on Plagiarism versus Collaboration:

There are many forms of plagiarism, for instance, copying on exams and assignments. There is a clear line between group work on assignments **when explicitly authorised by the Professor** and copying solutions from others. It is permissible to work on assignments with your friends but only when the Professor gives you permission in the specific context of the assignment. University rules clearly stipulate that all assignments should be undertaken individually unless specifically authorised.

Specific examples of plagiarism include, but are not limited to, the following:

- Copying a computer file from another student, and using it as a template for your own solution
- Copying text written by another student
- Submitting the work of a tutor as your own
- Including your name on a group submission when you have not contributed to that submission

An example of acceptable collaboration include the following:

- When authorised by the professor, discussing the issues and underlying factors of a case with fellow students, and then each of the students writing up their submissions individually, from start to finish.

COURSE SCHEDULE

Date	Text Chapters	Topic and lecture activities
Sept. 15		Week one: Introduction to Money Management; tasks, process, and instruments
	Ch. 1	1 Introduction to the tasks of money managers. 2 Overview of the fundamentals of investment and capital markets 3 Features of the investment environment
	Ch. 2	4 Nature and Characteristics of investment instruments- Investment Concepts 5 Capital markets and indicators
Sept. 22		Week two: Aspects of Security Market Operation, Investment Companies, and Return Distribution
	Ch. 3	1 How firms issue securities 2 How securities are traded 3 Margin trading and short sales
	Ch. 4	4 Investment companies and mutual funds: Types, costs, performance and other features
	Ch. 5	5 Sources of risk, risk premium, and return distribution
Sept. 2 Oct. 6		Weeks three & four: Aspects of Security Market Operation, Investment Companies, and Return
	Ch. 6	1 Risk aversion and risk tolerance 2 Fundamentals of portfolio management – Diversification effect 3 Fundamentals of portfolio management - Capital allocation between risky & risk free assets
	Ch. 7	4 Fundamentals of portfolio management - Optimal Risky Portfolio
Oct. 13		Week five: Index Models and Equilibrium in capital markets
	Ch. 8	1 Capital Asset Pricing Model (CAPM)
	Ch. 9	2 Single and Multi-index models and the Arbitrage Pricing Model (APM)
Oct. 20		Week six: Mid term examination. Efficient Market Hypothesis, behavioural finance, and technical analysis
	Chs. 10, 12	1 The Efficient Market Analysis (EMH): Definitions, implications and evidences
	Ch. 11	2 Behavioural finance and technical analysis
Oct. 27		Week seven: Valuation of Equity Portfolios
	Ch. 16	1 Valuation of Equity – Discounted cash flow models
	Outside materials	2 Other valuation models
Nov. 3		Weeks eight - ten: Fixed-Income Securities: Pricing, Characteristics and Management
Nov. 10	Ch. 13	1 Bond pricing and analysis
Nov. 17	Ch. 14	2 The term structure of interest rate and bond pricing
	Ch. 15	3 Bond portfolio management
Nov. 24 Dec. 1		Weeks eleven and twelve: International Diversification and Portfolio Performance Evaluation
	Ch. 23	1 Investing abroad
	Ch. 21	2 Measuring Portfolio Performance
	Ch. 22	3 The essentials of active portfolio management 4 Concluding the term

Final exam will be scheduled by the registrar's office