



**SCHOOL OF FINANCIAL SERVICES**

**COURSE NAME:** Canadian Securities Course Part 2  
**COURSE CODE:** BFPL 2101  
**COURSE FEES:** See course outline for CSC Part 1 (BFPL 2001)  
**CREDIT HOURS:** 42  
**PREREQUISITES:** None  
**COREQUISITES:** None  
**PLAR ELIGIBLE:** YES ( ) NO ( )  
**EFFECTIVE DATE:** January 2010

**PROFESSOR:**

**PHONE:**

**EMAIL:**

**NOTE TO STUDENTS:** Academic Departments at George Brown College will **NOT** retain historical copies of Course Outlines. We urge you to retain this Course Outline for your future reference.

**FOR OFFICE USE ONLY**

ORIGINATOR: _____	_____
NAME	DATE
CHAIR: _____	November 2009 _____
SIGNATURE	DATE
REVISED BY: _____	_____
SIGNATURE	DATE

**EQUITY STATEMENT:** George Brown College values the talents and contributions of its students, staff and community partners and seeks to create a welcoming environment where equity, diversity and safety of all groups are fundamental. Language or activities which are inconsistent with this philosophy violate the College policy on the Prevention of Discrimination and Harassment and will not be tolerated. The commitment and cooperation of all students and staff are required to maintain this environment. Information and assistance are available through your Chair, Student Affairs, the Student Association or the Human Rights Advisor.

George Brown College is dedicated to providing equal access to students with disabilities. If you require academic accommodations visit the Disability Services Office or the Deaf and Hard of Hearing Services Office on your campus.

**STUDENT RESPONSIBILITIES:** Students should obtain a copy of the *Student Handbook* and refer to it for additional information regarding the grading system, withdrawals, exemptions, class assignments, missed tests and exams, supplemental privileges, and academic dishonesty. Students are required to apply themselves diligently to the course of study, and to prepare class and homework assignments as given. Past student performance shows a strong relationship between regular attendance and success.

## COURSE DESCRIPTION:

The Canadian Securities Course Part 2 is designed to prepare the student to successfully sit the Canadian Securities Course Level Two Examination. Students learn important features of managed products and segregated funds. Derivative securities will be introduced and an overview of analyzing markets and products will be provided. Finally the basic principles of financial planning will be explained, with emphasis on the tax treatment of various types of gains. In addition to familiarizing students with the multiple choice format that will be encountered on the Canadian Securities Institute Examination, students engage in extensive written and oral communication work in order to learn how to communicate difficult principles in a clear and straightforward manner.

## ESSENTIAL EMPLOYABILITY SKILLS:

As mandated by the Ministry of Training, Colleges and Universities essential employability skills (EES) will be addressed throughout all programs of study. Students will have the opportunity to **learn (L)** specific skills, to **practice (P)** these skills, and/or **be evaluated (E)** on the EES outcomes in a variety of courses. The EES include communication, numeracy, critical thinking & problem solving, information management, interpersonal and personal skills. The faculty for this course has indicated which of the EES are either Learned (**L**), Practiced (**P**) or Evaluated (**E**) in this course:

Skill	L	P	E	Skill	L	P	E
1) To communicate clearly, concisely and correctly in the written, spoken and visual form that fulfills the purpose and meets the needs of the audience	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7) To locate, select, organize and document information using appropriate technology and information sources	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2) To respond to written, spoken or visual messages in a manner that ensures effective communication	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	8) To show respect for the diverse opinions, values, belief systems, and contributions of others	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3) To execute mathematical operations accurately	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	9) To interact with others in groups or teams in ways that contribute to effective working relationships and the achievement of goals	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4) To apply a systematic approach to solve problems	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	10) To manage the use of time and other resources to complete projects	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5) To use a variety of thinking skills to anticipate and solve problems.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	11) To take responsibility for my actions, decisions and consequences	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6) To analyze, evaluate, and apply relevant information from a variety of sources	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## **COURSE OUTCOMES:**

### **1. Examine the basic methods of valuing securities**

- Identify the key metrics used to value securities
- Contrast the key financial ratios
- Ascertain whether securities are under or overvalued

### **2. Examine the management of a portfolio of securities**

- Review the risk / reward trade-off and the different types of risk
- Determine major investment objectives and constraints in managing a portfolio
- Develop an asset mix and design an investment policy statement

### **3. Use the portfolio approach to construct an efficient investment portfolio**

- Define the terms relevant to the portfolio approach
- Contrast various risk measures such as beta and standard deviation
- Demonstrate the risk-return relationship inherent in building an efficient portfolio

### **4. Explain the important features of mutual funds**

- Define the key terms that relate to mutual funds
- Contrast the different types of mutual funds and how each meets different investment objectives
- Calculate the net asset value of a mutual fund and offering or purchase price
- Examine the importance of managed products in a modern portfolio theory

### **5. Explain the important features of hedge funds and segregated funds**

- Define the key terms that relate to hedge funds and segregated funds
- Contrast the features of hedge funds and segregated funds to mutual funds
- Examine the appropriateness of hedge funds and segregated funds for various investors

### **6. Explain the basic concepts in financial planning and taxation**

- Name the steps in the financial planning process
- Calculate after tax returns
- Demonstrate how tax policy affects returns and the financial planning process

## **DELIVERY METHODS:**

Lecture, interactive question and answer session, short student presentation of review material.

In order to participate fully in the experience, students will be expected to have read the material before class. Current examples and problems from industry will be accessed through the Internet and discussed. This requires familiarity with current issues in the Canadian and international Financial Services industries.

## **LIST OF TEXTBOOKS AND OTHER TEACHING AIDS:**

Canadian Securities Course Volume Two (Available from CSI in print or online)

## **MISSED TERM WORK OR EXAMINATIONS:**

Exemption or deferral of a term exam or final examination is not permitted except for a medical or personal emergency. The professor must be notified by e-mail prior to the test. Appropriate documentation, as determined by the professor, must be submitted.

Any student who either misses the midterm exam or does not hand in a paper and who provides acceptable documentation of illness or other serious problem will have the missed percentage of the course mark added to the weighting of the final exam. There will be no make-up exams or assignments.

### **Absence from final exam:**

- The professor must be notified by e-mail **before** the examination. Documentation must be presented to the professor **within three working days**.
- If the majority of the course work has been completed with a passing performance, and the documentation is acceptable, an "Incomplete" grade (INC) will be entered by the instructor. **An INC grade will not be granted if term work was missed or failed.**
- The final examination must be written **within 60 days of the submission of the incomplete grade. Failure to do this will result in an F grade.**

## **TESTING POLICY:**

Tests and exams will be closed-book. You may use a non-programmable financial calculator (e.g. Hewlett-Packard 10BII or Texas Instruments BA II Plus). Notebook computers, electronic dictionaries, cell phones, PDAs and other personal communications devices are prohibited.

## **NOTEBOOK USAGE POLICY:**

Notebook computers will be allowed for taking notes in class, conducting online research for assignments and to assist with in-class presentations, but cannot be used for any tests or exams.

## **ASSIGNMENT POLICY:**

Students unable to submit an assignment by the due date should discuss the matter in advance with the Professor. At the Professor's discretion, late assignments may not be accepted. Where late assignments *are* accepted, the Professor will apply a late penalty of 10% per day.

## EVALUATION SYSTEM:

Assessment Tool:	Description:	Outcome(s) assessed:	EES assessed:	Date / Week:	% of Final Grade:
Test # 1	Chapters 13 & 14	1	1 to 6	Week 4	10%
Test # 2	Chapters 15 & 16	2	1 to 6	Week 6	10%
Test # 3	Chapters 17 & 18	3	1 to 6	Week 9	10%
Test # 4	Chapters 19 & 20	4	1 to 6	Week 11	10%
Test # 5	Chapters 21 & 22	5	1 to 6	Week 13	10%
In-class Assignment	Financial statements	1 to 7	7 to 11	Week 3	10%
Final Exam	Chapters 13 to 23	1 to 7	1 to 6	Week 15	40%
				<b>TOTAL:</b>	<b>100%</b>

## GRADING SYSTEM

The passing grade for this course is: **C**

A+ 90-100	B+ 77-79	C+ 67-69	F 0-62	
A 86-89	B 73-76	C 63-66		
A- 80-85	B- 70-72			

**Important:** In order to progress, students must be in good academic standing. A *minimum* cumulative grade point average of 2.0 (grade of C) is required.

### Excerpt from the College Policy on Academic Dishonesty:

The *minimal* consequence for submitting a plagiarized, purchased, contracted, or in any manner inappropriately negotiated or falsified assignment, test, essay, project, or any evaluated material will be a grade of zero on that material. To view George Brown College policies please go to [www.georgebrown.ca/policies](http://www.georgebrown.ca/policies)

Students will receive feedback and/results of all tests and assignments within two weeks of the due date except in unusual circumstances.

## Canadian Securities Course Part 2: Topical Outline

<u>Week</u>	<u>Topic</u>	<u>Outcome</u>	<u>Content</u>	<u>Chapter/Reference</u>
<b>Week 1</b> Jan. 14, 2010	<ul style="list-style-type: none"> <li>• Introduction to Course</li> <li>• Fundamental and Technical Analysis</li> </ul>	# 1	<ul style="list-style-type: none"> <li>• Fundamental analysis</li> <li>• Technical analysis and market trends</li> </ul>	<ul style="list-style-type: none"> <li>• Course Outline</li> <li>• Chapter 13</li> </ul>
<b>Week 2</b> Jan. 21	<ul style="list-style-type: none"> <li>• <b>Test # 1 (Ch. 13)</b></li> <li>• Analyzing Markets and Products</li> </ul>	# 1	<ul style="list-style-type: none"> <li>• Balance sheet and income statement ratios</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 14</li> </ul>
<b>Week 3</b> Jan. 28	<ul style="list-style-type: none"> <li>• <b>In-class assignment # 1</b></li> <li>• Analyzing Corporate Financial Statements</li> </ul>	# 1	<ul style="list-style-type: none"> <li>• Equity analysis involving outside research</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 14</li> </ul>
<b>Week 4</b> Feb. 4	<ul style="list-style-type: none"> <li>• <b>Test # 2 (Ch. 14)</b></li> <li>• The Portfolio Approach</li> </ul>	# 2	<ul style="list-style-type: none"> <li>• Portfolio risk and return</li> <li>• Capital asset pricing model</li> <li>• Investment objectives and constraints</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 15</li> </ul>
<b>Week 5</b> Feb. 11	<ul style="list-style-type: none"> <li>• <b>Test # 3 (Ch. 15)</b></li> <li>• Portfolio Management</li> </ul>	# 2	<ul style="list-style-type: none"> <li>• Asset allocation</li> <li>• Phases in the economy and impact on the DDM</li> <li>• Equity and fixed-income manager styles</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 16</li> </ul>
<b>Week 6</b> Feb. 18	<ul style="list-style-type: none"> <li>• <b>Test # 4 (Ch. 16)</b></li> <li>• Structure of Mutual Funds</li> </ul>	# 3	<ul style="list-style-type: none"> <li>• Advantages and disadvantages of mutual funds</li> <li>• Organization of mutual funds</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 17</li> </ul>
<b>Week 7</b> Feb. 25	<ul style="list-style-type: none"> <li>• <b>Test # 5 (Ch. 17)</b></li> <li>• Features of Mutual Funds</li> </ul>	# 3	<ul style="list-style-type: none"> <li>• Types of mutual funds</li> <li>• Fund management styles</li> <li>• Comparing mutual fund performance</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 18</li> </ul>

**Week 8: Intersession Week, March 1 to 5, 2010**

## Canadian Securities Course Part 2: Topical Outline (continued)

<u>Week</u>	<u>Topic</u>	<u>Outcome</u>	<u>Content</u>	<u>Chapter/Reference</u>
<b>Week 9</b> Mar. 11, 2010	<ul style="list-style-type: none"> <li>• <b>Test # 6 (Ch. 18)</b></li> <li>• Segregated Funds</li> </ul>	# 4	<ul style="list-style-type: none"> <li>• Advantages and disadvantages of segregated funds</li> <li>• Mutual funds versus segregated funds</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 19</li> </ul>
<b>Week 10</b> Mar. 18	<ul style="list-style-type: none"> <li>• <b>Test # 7 (Ch. 19)</b></li> <li>• Hedge Funds</li> </ul>	# 4	<ul style="list-style-type: none"> <li>• Benefits and risks of hedge funds</li> <li>• Hedge fund strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 20</li> </ul>
<b>Week 11</b> Mar. 25	<ul style="list-style-type: none"> <li>• <b>Test # 8 (Ch. 20)</b></li> <li>• Managed Products</li> </ul>	# 5	<ul style="list-style-type: none"> <li>• Closed-end funds and ETFs</li> <li>• LSVCCs and income trusts</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 21</li> </ul>
<b>Week 12</b> April 1	<ul style="list-style-type: none"> <li>• <b>Test # 9 (Ch. 21)</b></li> <li>• Canadian Taxation</li> </ul>	# 6	<ul style="list-style-type: none"> <li>• Taxation of interest, dividends and capital gains</li> <li>• RPPs, RRSPs, RRIFs and annuities</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 22</li> </ul>
<b>Week 13</b> April 8	<ul style="list-style-type: none"> <li>• <b>Test # 10 (Ch. 22)</b></li> <li>• Financial Planning</li> </ul>	# 6	<ul style="list-style-type: none"> <li>• Objectives of a financial plan</li> <li>• Life cycle analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 23</li> </ul>
<b>Week 14</b> April 15	<ul style="list-style-type: none"> <li>• <b>Test # 11 (Ch. 23)</b></li> <li>• Course Review</li> </ul>	# 1 to 6	<ul style="list-style-type: none"> <li>• Course material from Weeks 1 – 13</li> </ul>	<ul style="list-style-type: none"> <li>• Chapters 13 to 23</li> </ul>
<b>Week 15</b> April 22	<ul style="list-style-type: none"> <li>• <b>Final Exam</b></li> </ul>	# 1 to 6	<ul style="list-style-type: none"> <li>• Course material from Weeks 1 – 13</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Chapters 13 to 23</b></li> </ul>

Note: Schedule is approximate and may vary as circumstances dictate.

For information on withdrawing from this course without academic penalty, please refer to the College Academic Calendar: <http://www.georgebrown.ca/Admin/Registr/PSCal.aspx>