EDWARDS SCHOOL OF BUSINESS
University of Saskatchewan

Master of Business Administration

MBA 854.2 Investments, Security Analysis and Portfolio Management

Instructor

Abdullah Mamun
ESB Room # 55
Phone: 306 9661862
Email: mamun@edwards.usask.ca

Prerequisites: MBA 803.3 Business and Society
MBA 825.3 Financial Management
MBA 807.2 Financial Statement Analysis

Course Objective

This course is intended for students who are interested in jobs in finance or related industry. It is designed to introduce the MBA students to theory and application of security analysis and portfolio management. This course is designed to achieve three goals:

- Make students familiar to basic tools of security analysis and portfolio management.
- Provide students with hands on experience of applying these tools.
- Understanding current empirical evidence and its implication in applying investment theory in practice.

Course Description

Major topics include determinants of investment risks, trade-offs between risk and return, valuation of stocks, fixed-income and derivative securities. Classes are generally in lecture format. However, there is especial emphasis on hands on use of tools and theory. First, there will be labs which will introduce application of tools and theory using MS-excel and second, it will introduce an investment game to practice some of the tools and knowledge in real world.

Required Text:

Zvi Bodie, Alex Kane, Alan J. Marcus, Styllanos Perrakis, and Peter J. Ryan (2005), *Investments*, Fifth Canadian Edition, McGraw-Hill Ryerson Limited, Toronto.

Optional Supplementary Readings

Benninga, Simon, *Financial Modeling*, 2/e, The MIT press, 2000
Haugen, Robert, *The inefficient Stock Market*, 2/e, Prentice Hall, 2001
Robert Shiller, *Irrational Exuberance*, 2/e, Princeton University Press, 2005

EVALUATION

Homework Assignments (3)	15%
Financial Modeling Labs (2)	10%
Investment Game	5%
Quizs (3)	30%
Final Exam	40%

There are three homework assignments, three quizzes, and a final exam. Assignments will be due at the BEGINNING of the relevant class. NO LATE ASSIGNMENTS WILL BE ACCEPTED. Your lowest homework score and quiz score will be dropped in determining your course grade. Grades from both financial modeling lab and investment game will be included. The final exam is worth 40 points. Exams are closed book, although you are allowed to bring one page of notes (8½ by 11 inches, one side of the page only, 10 point minimum font size or equivalent if handwritten) which must be turned in with your exam.

There are no deferred quizzes. If you are absent in one quiz, your final exam mark will replace that quiz grade. Documentation, such as a medical certificate for illness, is required for absence from any quiz.

Course Outline

1. Background (Chapters 2,3 and my handouts)
2. Risk and Return (Chapter 5)
3. Portfolio Selection (Chapter 6)
4. Market Efficiency (Chapter 9)
5. The CAPM (Chapter 7)
6. The APT (Chapter 8)
7. Fixed Income Securities (Chapter 11 and 12)
8. Options and Other Derivatives (Chapter 17)
9. Performance Evaluation (Chapter 20)

Policy Regarding Academic Dishonesty

Students are expected to have read and understood the rules regarding academic dishonesty which are posted on the University of Saskatchewan website at:
http://www.usask.ca/university_council/reports/09-27-99.shtml