



**MBA(FS) Program**  
**Business 6230: Investment and Money**  
**Management, Winter 2020**

**Instructor:** Dr. Iraj Fooladi  
**Office:** 2018 Kenneth C. Row Management Building  
**Telephone:** (902) 494 - 1843  
**E-mail:** [iraj.fooladi@dal.ca](mailto:iraj.fooladi@dal.ca)

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**Course Description:**

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 basic 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.

**Pre-Requisites for Course: BUSI 6207**

**Learning Objectives:**

By the end of the course, the student should have a broad knowledge of the investment environments and instruments and understand how asset allocations are related to and affected by degrees of risk aversion. They will be familiar with various investment policies and methods of portfolio formations both by equity and fixed income managers as well as relationship between these policies and the level of market efficiency. Finally, they will understand the differences in risk/return trade-offs of investing in domestic versus international markets and will learn about various ways to evaluate money managers' performance and the difficulties inherent in each performance measure.

**Approach Taken:**

The course delivery is via a blended approach. During the fall term, students will receive the course materials, including the assignments, and are able to communicate with the professor via Brightspace, e-mail and telephone calls. At the end of the term there will be a 3-day intensive session where the students receive 8-hours/day lectures. The intensive class will be run by *interactive* lectures. This means that students are expected to come to class prepared and actively participate in class discussions. Class participation is required and counts for 10% of the total grade.

**Learning Materials:**

Text

1. Z. Bodie, et al., *Investments*, 9th Canadian edition, McGraw-Hill Ryerson, 2019. (Bodie).
2. Investment Notes and Outside Reading Materials (will be put on the web)

Other materials will be put on the course site or will be distributed in class during the intensive part of the program. 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 a more in-depth understanding is required, you will be notified.

### **Grading Scale for Masters Students**

#### **Grading Scale as per Faculty of Graduate Studies Calendar**

Letter Grade	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%
Three assignments (10% each)	30%
Written Project	20%
Final Examination*	<u>40%</u>
	100%

**\* students must pass the final exam to pass the course.**

Assignment Due Dates (all due 11:59 PM):

Assignment 1: March 1, 2020

Assignment 2: March 29, 2020

Assignment 3: April 23, 2020

Term Project: April 29, 2020

Assignments, final examination, and class discussions are individual components of the course. Written project is team work. you do these in a team of three or 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 research paper should be 10-15 double-spaced pages long (excluding tables and graphs) and ***must be typed*** and submitted on the ***due date (April 29, 2020)***. You will be given a list of suggested topics that are related to the course. You may pick a research project amongst those topics or suggest your own topics. **If you decide to pick your own topic, you should obtain a prior approval by discussing your research topic with me early on in the term.**

***You must pass the final exam to pass the course. Missing the final examination 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 Center for Executive and Graduate Education Office.***

Participation (10% of all marks)

The participation grade will be based on the following factors:

1. Attendance  
Full attendance in class is necessary but not sufficient condition to gain the participation mark.
2. Participation in class discussion  
My lecture style includes asking many questions while I am lecturing. Students should try to respond although I do not expect all answers to be always correct. The idea is to promote class discussions. I also encourage everyone to ask questions and invite input from everyone in answering these questions. Asking pertinent questions is a good participation.
3. Pro-active involvement with class discussion  
In addition to participating in discussions created by my questions, I expect students initiate discussions and make comments on the issues that are discussed in class.

Also, your written research project will be graded based on the following rubric:

Project Assignments (20% of total grade)

Originality and relevance of the topic	4%
Demonstration of understanding of the issue	4%
Theoretical development/explanation (if applicable)	2%
Information/data presentation	4%
Methodology	2%
Organization, writing style and clarity	4 %

**If the nature of project is such that theoretical development and methodology is not appropriate, their mark will be distributed to other categories.**

**Ground rules**

**When we are at the intensive, you must arrive in class on time and stay in for the duration of class. 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, going into chat rooms, facebook, etc. while lecture is in the process, is not allowed.

*Certificates of illness*

Medical notes must be submitted to the **Center for Executive and Graduate Education** Office or Professor, whichever you prefer. 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 date.

*Students with disabilities.*

Students may request accommodation as a result of barriers related to disability, religious obligation, or any characteristic under the human rights legislation.

Students who require academic accommodation for either classroom participation or the writing of tests and exams should make their request to the Advising and Access Services Center (AASC)

prior to or at the outset of the regular academic year. Please visit [www.dal.ca/access](http://www.dal.ca/access) for more information and to obtain the Request for Accommodation form.

A note taker may be required as part of a student's accommodation. There is an honorarium of \$75/course/term (with some exceptions). If you are interested, please contact AASC at 494-2836 for more information or send an email to [notetaking@dal.ca](mailto:notetaking@dal.ca)

Please note that your classroom may contain specialized accessible furniture and equipment. It is important that these items remain in the classroom, untouched, so that students who require their usage will be able to fully participate in the class.

### *Academic Integrity in the Faculty of Management*

#### ***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 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.

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 Dalhousie Libraries' online [Citing & Writing](#) tutorials.

Do not plagiarize any materials for this course. For further guidance on what constitutes plagiarism, how to avoid it, and proper methods for attributing sources, please consult the University Secretariat's [Academic Integrity](#) page.

Please note that Dalhousie now subscribes to SafeAssign.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 Dishonesty](#) contained in the Calendar.

Furthermore, the University's Senate has affirmed the right of any instructor to require that student assignments be submitted in both written and computer readable format, e.g.: a text file or as an email attachment, and to submit any paper to a check such as that performed by the SafeAssign anti-plagiarism software. As a student in this class, you are to keep an electronic copy of any paper you submit, and the course instructor may require you to submit that electronic copy on demand. Use of third-party originality checking software does not preclude instructor

use of alternate means to identify lapses in originality and attribution. The result of such assessment may be used as evidence in any disciplinary action taken by the Senate.

Finally:

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

#### **Faculty of Management 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 authorized.**

**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 someone else, including that of a tutor as your own**

**An example of acceptable collaboration includes the following:**

- **When authorized 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.**

Dalhousie University and the organizations which represent students, faculty and other employees support the efforts of the Dalhousie University Environmental Health and Safety Committee to create a scent-free University. In consideration of the difficulties that exposure to these products cause sensitive individuals, the University encourages faculty, staff, students and visitors to avoid the use of scented personal care products. Thank you for helping us all breathe easier!

#### **Rowe School of Business Accreditation**

As an AACSB (Association to Advance Collegiate Schools of Business) accredited university, Dalhousie University's business programs are subject to Assurance of Learning (AOL) standards. During the semester anonymous data may be collected to assess if AOL goals and objectives are being met. The data collected will be used for program improvement purposes only and will not impact nor be associated with student grades.

## COURSE SCHEDULE

Text Chapters	Topic and lecture activities
	<p><b>Weeks one &amp; two (weeks of Jan. 13 and 20): Introduction to Money Management; tasks, process, and instruments. Aspects of Security Market Operation, Mutual Funds &amp; other Investment Companies.</b></p> <p>Please note that, with a few exceptions, materials in the first four chapters of your text are <b>GENERAL</b> and <b>STRAIGHT FORWARD</b>. They are basically descriptions of how security markets work in general. <b>I do not plan to talk about these in class during the intensive portion of the course except for a few technical points.</b> However, these are important materials for any finance student and having a general idea about them is essential for any business student. I will only talk about a few issues from these chapters that are a bit technical. The rest is for you to read and have a general understanding of them. I will be available outside classroom if you need any help on these materials.</p>
<b>Ch. 1</b>	<ol style="list-style-type: none"> <li>1 Introduction to the tasks of money managers.</li> <li>2 Overview of the fundamentals of investment and capital markets</li> <li>3 Features of the investment environment</li> </ol>
<b>Ch. 2</b>	<ol style="list-style-type: none"> <li>4 Nature and Characteristics of investment instruments- Investment Concepts</li> <li>5 Capital markets and indicators</li> </ol>
<b>Ch. 3</b>	<ol style="list-style-type: none"> <li>6 How firms issue securities</li> <li>7 How securities are traded</li> <li>8 Margin trading and short sales</li> </ol>
<b>Ch. 4</b>	<ol style="list-style-type: none"> <li>9 Mutual Funds and Other Investment Companies</li> </ol>
	<p><b>Weeks three to six (Weeks of Jan. 27, Feb. 3, 10, &amp; 17): Return Distribution, Diversification, and Asset Allocation</b></p>
<b>Ch. 5</b>	<ol style="list-style-type: none"> <li>1 Risk, Return, and Historical Record</li> </ol>
<b>Ch. 6</b>	<ol style="list-style-type: none"> <li>2 Capital Allocation to Risky Assets</li> </ol>
<b>Ch. 7</b>	<ol style="list-style-type: none"> <li>3 Optimal Risky Portfolio</li> </ol>
<b>Ch. 8</b>	<ol style="list-style-type: none"> <li>4 Index Models</li> </ol>
	<p><b>Weeks seven &amp; eight (weeks of Feb. 24 &amp; Mar. 2): Equilibrium in capital markets &amp; the Efficient Market Hypothesis.</b></p>
<b>Ch. 9</b>	<ol style="list-style-type: none"> <li>1 Capital Asset Pricing Model (CAPM)</li> </ol>
<b>Ch. 10</b>	<ol style="list-style-type: none"> <li>2 Arbitrage Pricing and Multifactor Models</li> </ol>
<b>Ch. 11</b>	<ol style="list-style-type: none"> <li>3 The Efficient Market Hypothesis</li> </ol>

<b>Ch. 18 &amp; outside materials</b>	<b>Week nine (Week of Mar. 9): Valuation of Equity</b>  1 Valuation of Equity – Discounted cash flow models 2 Other valuation models
<b>Ch. 14</b> <b>Ch. 15</b> <b>Ch. 16</b>	<b>Weeks ten – twelve (Weeks of Mar. 16 &amp; 23 &amp; 30): Fixed-Income Securities: Pricing, Characteristics and Management</b>  1 Bond pricing and analysis 2 The term structure of interest rate and bond pricing 3 Bond portfolio management
<b>Ch. 24</b> <b>Ch. 27</b> <b>Ch. 25</b>	<b>Weeks thirteen – fifteen (weeks of Apr. 6, 13, &amp; 20): Portfolio Performance Evaluation, International Diversification and Conclusions</b>  1 Measuring Portfolio Performance 2 The essentials of active portfolio management 3 Investing abroad.
	<b>Week sixteen (Week of April 27) Review and preparation for the intensive sessions.</b>