



**FIN 7150 (3.0 CH)
INVESTMENT POLICY
Winter 2010**

INSTRUCTOR

Name:	Usha Mittoo	Office Location:	660 Drake
Phone:	474-8969	Office Hours:	Monday & Friday 3 - 4pm
Fax:	474-7545	Class Time:	Wednesday 6:15 – 9:30
Email:	umittoo@cc.umanitoba.ca		

COURSE DESCRIPTION

The theory and practice of investment management. Topics include: portfolio theory and management, market efficiency, options and futures.

COURSE OBJECTIVES

The objective of this course is to provide an understanding of the theory and practice of investment management. The course will begin with an overview of capital markets and cover topics of investment environment, financial markets, portfolio theory and management, capital asset pricing models, market efficiency, options and futures. The focus of this course will be on understanding the investment management process in global markets from a Canadian investor's perspective. The students will learn financial principles and concepts, and their applications to investment decisions. The course prerequisites are FIN 6072 and a good understanding of the spreadsheet analysis.

PEDOGOGY

A combination of lectures, practical examples, problems, and current event discussions will be used. The lectures will focus on the understanding of the theoretical concepts and tools. The term project and assignments will emphasize the application of financial tools and techniques to real world problems.

EVALUATION & LEARNING ASSESSMENT

The student progress will be assessed through

Term Project	50%
Assignments	20%
Final Examination	30%

COURSE MATERIALS

Textbook: Bodie, Kane, Marcus, Perrakis and Ryan, (BKMPR) *Investments* (Sixth Canadian Edition), McGraw Hill Ryerson Ltd., 2008.

Recent developments in investment theory and practice in international markets would be emphasized through assigned readings and class discussions.

TERM PROJECT AND ASSIGNMENTS

The term project will be done on a group basis with a maximum of three students in a group. The main objective of the term project is to examine an investment issue or problem using the concepts and techniques learned in the class. The projects will be presented in the last class on March 17, 2010. The topics and outline of the project should be discussed with the instructor. Some guidelines for the project and suggested topics are provided (see attached). Other topics may be taken up in consultation with the instructor.

There will be two assignments (10% each). One assignment will be on portfolio selection process using Excel and it will be done on an individual basis. The second assignment will involve preparation and presentation of assigned articles in each class and will be done on a group basis.

Final grades will be assigned as follows:

Cumulative Marks	Grade	GPA	Performance
90-100	A+	4.5	Excellent
80-89	A	4.0	Very Good
75-79	B+	3.5	Good
70-74	B	3.0	Satisfactory
65-69	C+	2.5	Marginal
60-64	C	2.0	Unsatisfactory
50-59	D	1.0	Unsatisfactory
Below 50	F	0.0	Unsatisfactory

ACADEMIC REGULATIONS

Students are encouraged to contact Disability Services at 474-6213 or the instructor should special arrangements need to be made to meet course requirements.

COURSE CONDUCT

ESTIMATED TIME PERIOD	TOPIC
January 6	Basic Principles and Concepts - Overview BKMPR Chapters 1- 2
January 13	How Securities are Traded? Mutual Funds and Institutional Environment, Risk and Return BKMPR Chapters 3
January 20	How Securities are Traded? Mutual Funds and Institutional Environment, Risk and Return BKMPR Chapters 4 - 5
January 27	Portfolio Theory The Capital Asset Pricing Model, Index Models BKMPR Chapters 6 - 7
February 3	The Capital Asset Pricing Model, Index Models Empirical Evidence on Stock Returns BKMPR Chapters 8-9,12
February 10	Market Efficiency and Behavioural Finance BKMPR Chapters 10-11
February 15-19	MID-TERM BREAK
February 24	International Investing BKMPR Chapter 23 Futures and Forward Markets BKMPR Chapter 20
March 3	The Options Market BKMPR Chapters 18 and 19
March 10	Portfolio Performance Evaluation BKMPR Chapters 21 and 22
March 17	Presentations: Term Projects
TBA	Final Exam

FIN 7150
INVESTMENT POLICY
TERM PROJECT GUIDELINES

- I. The term project would involve three components.
 1. Definition of an issue/problem in investments, objectives and outline of your project.
 2. Empirical Analysis:
 - Collection of stock market data relevant to the problem.
 - Analysis of data.
 - Summary of your data analysis.
 3. Summary and Conclusions - Based on your empirical analysis and financial concepts learned in class.
- II. The maximum length of the project is **ten** type written double-spaced pages (appendices extra). References should include data sources used in the report.
- III. The project is due on March 17, 2010 and would be presented in class (Presentation time 10 - 15 minutes per group).
- IV. The project would be graded on two components:
 1. Class Presentation (15 marks)
 2. Written Report (35 marks)

The criteria for the evaluation of the written report include:

- i. Organization and structure of the report.
- ii. Application of concepts learned in the class.
- iii. Substance, logic and support for main arguments.
- iv. Writing style, clarity and presentation.

Suggested Topics

Example: Determining an Investment Strategy for a Specific Investor

Suggested Outline of the three parts.

1. Definition of issue/problem.
Description of a client, his/her risk aversion, investment objectives.
2. Outline of the investment strategy.
 - Criteria for selection of assets and the strategy.
(Asset classes - Bonds, Stocks, Options, Cash, etc.)
 - Selection of instruments within each asset class.
 - Historical data collection and data analysis for stocks/ portfolios/bonds.
3. Summary and Conclusions.
 - Developing guidelines for implementing the future strategy (monitoring etc.)

Other Topics (Based on current issues) may be selected in consultation with the instructor

- Canadian and U.S. capital markets
 - Canadian Domestic vs. U.S. cross-listed stocks: Risk and return
 - Does a U.S. listing increase firm value?
- Investment issues in Canadian capital market:
 - liquidity, Dual class shares, The Income Trusts,
- Issues in international investments
 - Global Financial Crisis
 - Subprime lending crisis
 - Exchange rates and portfolio investment strategy
 - Exchange traded funds versus Mutual funds
 - Credit Default Swaps



ACADEMIC INTEGRITY

I.H. Asper School of Business, The University of Manitoba

It is critical to the reputation of the I. H. Asper School of Business and of our degrees that everyone associated with our faculty behaves with the highest academic integrity. As the faculty that helps create business and government leaders, we have a special obligation to ensure that our ethical standards are beyond reproach. Any dishonesty in our academic transactions violates this trust. The University of Manitoba Graduate Calendar addresses the issue of academic dishonesty under the heading "Plagiarism and Cheating." Specifically, acts of academic dishonesty include, but are not limited to:

- using the exact words of a published or unpublished author without quotation marks and without referencing the source of these words
- duplicating a table, graph or diagram, in whole or in part, without referencing the source
- paraphrasing the conceptual framework, research design, interpretation, or any other ideas of another person, whether written or verbal (e.g., personal communications, ideas from a verbal presentation) without referencing the source
- copying the answers of another student in any test, examination, or take-home assignment
- providing answers to another student in any test, examination, or take-home assignment
- taking any unauthorized materials into an examination or term test (crib notes)
- impersonating another student or allowing another person to impersonate oneself for the purpose of submitting academic work or writing any test or examination
- stealing or mutilating library materials
- accessing tests prior to the time and date of the sitting
- changing name or answer(s) on a test after that test has been graded and returned
- submitting the same paper or portions thereof for more than one assignment, without discussions with the instructors involved.

Many courses in the I. H. Asper School of Business require group projects. Students should be aware that group projects are subject to the same rules regarding academic dishonesty. Because of the unique nature of group projects, all group members should exercise special care to insure that the group project does not violate the policy on Academic Integrity. Should a violation occur, group members are jointly accountable unless the violation can be attributed to a specific individual(s).

Some courses, while not requiring group projects, encourage students to work together in groups (or at least do not prohibit it) before submitting individual assignments. Students are encouraged to discuss this issue as it related to academic integrity with their instructor to avoid violating this policy.

In the I. H. Asper School of Business, all suspected cases of academic dishonesty are passed to the Dean's office in order to ensure consistency of treatment.



MEDICAL ABSENTEEISM FORM

I.H. Asper School of Business, The University of Manitoba

STUDENT IDENTIFICATION: (PLEASE PRINT CLEARLY)

_____	_____	_____	_____
Last Name	First Name	Middle Initial	U of M Student Identification Number
_____	_____		
Course #	Instructor Name		
_____	_____		
Student's Signature	Date		

TO BE COMPLETED BY THE ATTENDING PHYSICIAN: (after the above section is completed) (PLEASE PRINT CLEARLY)

_____	_____	_____
Physician's Last Name	Physician's First Name	Middle Initial
_____	_____	_____
Street Address	City, Province	Postal Code
_____	_____	
Telephone Number	Fax Number	

To the attention of the physician: Your evaluation of the student's condition is being used for the purpose of determining whether or not the student has a valid reason to miss an important exam or assignment. Your professional evaluation is necessary to ensure that only valid cases are excused.

I certify that the nature of the student's condition is severe enough to prevent the student from taking an exam or completing an assignment. If requested, my associates or I will verify for the above named instructor/administrator that this information is accurate.

The student's condition will likely span the following dates:

_____	until	_____
(Indicate start date)		(Indicate end date)
_____		_____
Physician's Signature		Date

NOTES TO PHYSICIAN:

- Please make a note in the student/patient's file indicating that the student has given the above named instructor/administrator permission to verify with you, your staff, or your colleagues, that the information contained on this form is correct. Thank you for your professional evaluation of this student's condition.
- **PLEASE ATTACH THIS FORM TO YOUR REGULAR OFFICE STATIONERY THAT INDICATES THE STUDENT VISITED YOUR OFFICE.**

NOTES TO STUDENT:

- The use of this form is at the option of the student. However, in order to obtain an excused absence for an assignment or exam the student must obtain a doctor's certification that the student's condition is severe enough to prevent the student from taking the exam or completing the assignment.
- It is NOT SUFFICIENT to provide a note that only indicates the student visited the doctor's office.



Usha R. Mittoo

Accounting and Finance
I.H. Asper School of Business

Dr. Usha Mittoo received her Ph.D. in Finance from the University of British Columbia, M.B.A. from the University of Manitoba, and joined the Faculty of Management in 1988. From February 1996 to March 1998, she served as Associate Dean and was responsible for the Faculty's AACSB accreditation process.

Dr. Mittoo has developed and taught a variety of finance courses at the Ph.D., MBA, and undergraduate levels as well as in the executive development programs. She has received several awards and honors for her teaching, research and service activities including three CMA merit award for excellence in teaching and research, two Associates Achievement for excellence in research, and the CGA merit award for service.

Dr. Mittoo is well known for her work in foreign listings, and international corporate finance. She has published in several top academic journals including *Journal of Finance*, *Journal of Banking and Finance*, *Financial Management* as well as in practitioner-oriented journals, such as *Canadian Investment Review*. She has received several awards and recognitions for her recent papers, including *Daeyang prize* for the best paper in the journal. Her work has been cited in several academic papers, practitioners' journals, and textbooks. Her research is funded with grants from several external agencies including Social Sciences and Humanities Research Council of Canada. She is currently working on several collaborative projects relating theory and practice of corporate finance in North American and European countries.

Dr. Mittoo has served on the board of many organizations and is currently on the Editorial board of the *Canadian Journal of Administrative Sciences*, and on the Special Regulatory Committee of the Winnipeg Commodity Exchange. She has co-chaired the Northern Finance Association meetings in 1997, and would be co-chairing the 2010 meetings. Since 1997, she has also served on the Canada Merit Scholarship Foundation.