**School of Administrative Studies**

**Faculty of Liberal Arts and Professional Studies**

**Course Outline**

## AP/ADMS 3531 Personal Investment Management

## Fall 2019

**Instructor:** Dr. Semih Yildirim

**Class Hours:** Section B, Monday 14:30 – 17:30 p.m. Room CLH J Section A, Monday 19:00 – 22:00 p.m. Room HNE 031

**Office:** Atkinson Room 218 Phone: 416-736-2100 x 22477

Email: yildirim@yorku.ca Office Hours: Mondays 12:00 – 14:00 pm. or by appointment

**Course Description & Prerequisites**

This course familiarizes students with the investment process, emphasizing the management of individual investor portfolios. Topics include security markets, trade-offs between risk and return, security analysis, and the concept of an “almost efficient” market. Current financial events are discussed.

Prerequisite: AP/ADMS 3530 3.00

**Course Resources**

• **Textbook (Required):** Bodie et al., “Investments” 9th Canadian edition, McGraw-Hill Ryerson, 2019. Copies of each will be on reserve at Bronfman Library. Most students in the BCom finance stream will go on to take ADMS 4501, Advanced Portfolio Management, which also uses the Bodie book.

**• Course Website:** <https://moodle.yorku.ca/moodle/course/view.php?id=157393>

**Evaluation**

Your final grade will be based on the following:

Midterm Exam 35%

Stock-Trak Presentation 5%

Stock-Trak Report 10%

Final Exam 50%

**Exams**

The midterm exam is a two-hour exam with 35 multiple-choice questions covering topics from the first six weeks. The final exam is a three-hour exam with 50 multiple choice questions. It is cumulative, but with a greater emphasis on topics not tested on the midterm.

An exam information sheet will be posted on Moodle at least one week before the exam, listing how many exam questions are from each chapter, the breakdown between calculation and conceptual questions, and the required textbook sections.

Both exams are closed book. Formula sheets will be provided, and they will be posted on the course website at least one week before the exam. You will need a **pencil** for filling in the Scantron bubble sheet, and a **calculator**. A few of the bond problems on the final exam need a financial calculator, which you should already have from ADMS 3530.

If you have an excused absence from the midterm (e.g. illness), your midterm exam mark will be estimated from your final exam mark, taking into account the relative difficulty of the two exams. The only documentary evidence that will be accepted to support missing the midterm due to illness is the Attending Physician’s Statement, see

<http://www.registrar.yorku.ca/pdf/attending-physicians-statement.pdf>

This form must be completely filled out and submitted to Professor Yildirim. You do not need to submit an Academic Petition Form.

**Deferred Standing – Missed Final Examination**

Deferred standing may be granted to students who are unable to write their final examination at the scheduled time or to submit their outstanding course work on the last day of classes.

Instructions will be posted closer to the final exam date.

Students are strongly encouraged to write the regular exam. Deferred students typically get lower marks, and many fail.

It is the policy of the Admin Studies finance area that instructors **will NOT sign** a DSA form if you miss both the midterm and final exams. Students in this situation will need to petition for a deferred or a late withdrawal or some other remedy appropriate to their circumstances.

**Other Relevant Policies:** The Course Outline link from the York Courses Web Site has links to various York policies. All students are expected to familiarize themselves with this information, including policies on Academic Honesty and Student Rights and Responsibilities.

**Stock-Trak**

An important part of 3531 is your participation in the Stock-Trak Portfolio Simulation. Students should work in groups of two, although individual participation is allowed. Each group will make a brief informal presentation to the class, along with a written report at the end of the semester. The presentation schedule will be posted on the course website. The Stock-Trak presentation mark (worth 5% of your course grade) is an automatic 100%. If you do not give your presentation on the scheduled date, and you do not have an excused reason, you will get a presentation mark of zero.

To sign up for a Stock-Trak account, go to one of the following links (use the first URL if you are in Section A, use the second URL if you are in Section B).

http://www.stocktrak.com/public/members/registrationstudents.aspx?p=York-ADMS3531A-Fall19

http://www.stocktrak.com/public/members/registrationstudents.aspx?p=York-ADMS3531B-Fall19

This brings up a registration form that already shows your Class Name Code, York-ADMS3531A-Fall19 or York-ADMS3531B-Fall19. You don’t need a practice account, so you can click on the checkmark to un-select it. The price is $29.95 in US dollars. For a group of two students, just one student registers and pays the fee, and then the two of you decide how to share the cost.

Accounts are open for trading beginning on the first 3531 class day (Monday September 9). Your group must make at least five trades by the fourth week of classes. Trading ends on Monday December 2. You do not need to sell your stocks (or close out your positions) at the end; that would just increase your transaction costs.

Each student must make at least 20 trades during the semester (i.e., a group of two students must make 40 trades in their account), including at least two short sales and at least two option trades. You should begin trading by the second week of classes, and at least 10 trades per person should be made by the midterm exam. Stock-Trak allows a maximum of 200 trades per account.

A written report is due on the last class day, Monday, December 4 for Section A and Section B. It is a group report, so turn in just one paper for your group. Reports must be uploaded to Moodle by the last day of classes, December 4. Instructions for uploading will be posted in the Stock-Trak folder on the class website.

The length should be approximately 10 pages (double-spaced in a reasonable font size such as 12-point) plus additional pages for tables. Include print-outs from your Stock-Trak account showing all transactions. Transaction History and Portfolio Summary are two of the six choices in the drop-down box under My Portfolio.

Include the following information in your report:

1. How you selected investments;

2. Analysis of some of your best and worst investments (e.g., any reasons why they went up or down); and

3. Using your Stock-Trak experience along with what you learned from the lectures and the text, provide some general advice for people trading with real money.

For assistance with writing, please see York’s Writing Centre: <http://writing-centre.writ.laps.yorku.ca/>

**Tentative Course Schedule**

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| **Date** | **Topics and Text Chapters** |
| September 9 | Introduction to Course and Orientation  The Investment Environment Chapter 1  Financial Markets, Chapter 2 (only LO4 on the midterm) |
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| September 16 | Understanding Stock Trak Trading Platform  How Securities are Traded, Chapter 3 |
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| September 23 | Risk, Return and Historical Record, Chapter 5 (LO1-LO6)  Mutual Funds, Chapter 4 |
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| September 30 | Equity Valuation Models, Chapter 18 |
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| October 7 | Options Markets, Chapter 20 (LO1-LO3) |
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| October 14 | Reading Week, No classes at York |
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| October 21 | Option Valuation, Chapter 21  Review for the Midterm Exam |
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| **October 25-Friday** | **Midterm exam time: 7-9 p.m.** |
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| October 28 | Capital Allocation to Risky Assets, Chapter 6 |
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| November 4 | Optimal Risky Portfolios, Chapter 7 (LO1-LO4)  Stock-Trak Presentations |
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| November 11 | The Capital Asset Pricing Model, Chapter 9 (LO1)  Stock-Trak Presentations |
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| November 18 | The Efficient Market Hypothesis, Chapter 11  Stock-Trak Presentations |
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| November 25 | Behavioural Finance and Technical Analysis, Chapter 12  Stock-Trak Presentations |
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| December 2 | Bond Prices and Yields, Chapter 14  The Term Structure of Interest Rates, Chapter 15  Stock-Trak Report due |
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| **The Final Exam will be scheduled by the Registrar’s Office.** | |