



**COURSE OUTLINE**

1. **Course:** ACSC 425, Intermediate Topics in Finance and Investment - Fall 2019

Lecture 01: MWF 14:00 - 14:50 in MS 431

Instructor	Email	Phone	Office	Hours
Dr. Sang Kang	sangjin.kang@ucalgary.ca	TBA	TBA	Mon, Fri: 4 pm-5 pm / Wed: 12 pm-1 pm / Tue: 10 am-11:30 am / Thu: 2 pm-3:30 pm

This course is accredited under the Canadian Institute of Actuaries (CIA) University Accreditation Program (UAP). Achievement of the minimum required grades in accredited courses may provide credit for preliminary exams. Please note that a combination of courses may be required to achieve exam credit.

**Course Site:**

D2L: ACSC 425 L01-(Fall 2019)-Intermediate Topics in Finance and Investment

**Note:** Students must use their U of C account for all course correspondence.

2. **Requisites:**

See section [3.5.C](#) in the Faculty of Science section of the online Calendar.

**Prerequisite(s):**

Actuarial Science 325 and Statistics 323; or Actuarial Science 325 and 60 units and consent of the Department.

**Antirequisite(s):**

Credit for Actuarial Science 425 and Finance 317 will be not be allowed without consent of the Department.

**Note(s):**

- a. Students with credit for Finance 317 but requiring Actuarial Science 425 for VEE credit from the Society of Actuaries should consult with the Department.

Although the introductory accounting course, ACCT 213, is not official prerequisite, the course materials for ACSC 425 is based on the background knowledge of the accounting. Students are encouraged to take this course in advance to fulfill the requirement of VEE (Validation by Educational Expeirence) by SOA (Society of Actuaries) or CAS (Casualty Actuarial Society) exams.

3. **Grading:**

The University policy on grading and related matters is described in [F.1](#) and [F.2](#) of the online University Calendar. In determining the overall grade in the course the following weights will be used:

Component(s)	Weighting %	Date
Class-related tasks	5%	To be discussed at the beginning of the class
Hand-in Assignments (3)	10%	Assignment 1: Sep. 25 (Wed)
		Assignment 2: Oct. 23 (Wed)
		Assignment 3: Nov. 20 (Wed)
First Mid-term Exam	15%	Oct. 11 (Fri) - 50 minutes
Second Mid-term Exam	25%	Nov. 8 (Fri) - 2 hours
Final Exam	45%	To be scheduled by the Registrar

Each piece of work (reports, assignments, quizzes, midterm exam(s) or final examination) submitted by the student will be assigned a grade. The student's grade for each component listed above will be combined with the indicated weights to produce an overall percentage for the course, which will be used to determine the course letter grade.

The conversion between a percentage grade and letter grade is as follows.

	A+	A	A-	B+	B	B-	C+	C	C-	D+	D
Minimum % Required	95 %	90 %	85 %	80%	75%	70 %	65 %	60%	55%	50 %	45 %

This course has a registrar scheduled final exam.

#### 4. **Missed Components Of Term Work:**

In the event that a student misses the midterm or any course work due to illness, supporting documentation, such as a medical note or a statutory declaration will be required (see [Section M.1](#); for more information regarding the use of statutory declaration/medical notes, see [FAQ](#)). Absences must be reported within 48 hrs.

The regulations of the Faculty of Science pertaining to this matter are found in the Faculty of Science area of the Calendar in [Section 3.6](#). It is the student's responsibility to familiarize themselves with these regulations. See also [Section E.3](#) of the University Calendar.

#### 5. **Scheduled Out-of-Class Activities:**

There are no scheduled out of class activities for this course.

The second mid-term exam is scheduled for 2 hours. The time and place for this exam will be announced during the term. Please make sure that if students have schedule conflict for taking this mid-term exam, the instructor may grant an alternative time to write the exam prior (not after) the scheduled time.

#### 6. **Course Materials:**

Required Textbook(s):

Jonathan Berk, Peter DeMarzo, David Stangeland, *Corporate Finance, 4th Canadian Edition*. Pearson.

Supplementary Material for Investment & Finance:

- [IFM-21-18](#): Measures of Investment Risk, Monte Carlo Simulation, and Empirical Evidence on the Efficient Markets Hypothesis.

#### 7. **Examination Policy:**

Only **non-programmable calculators** may be used for the midterm and final exam.

The following (SOA exam) models of Texas Instruments are strongly recommended:

- BA-35
- BA II Plus
- BA II Plus Professional
- TI-30Xa
- TI-30X II
- TI-30XS Multiview

Make sure that memories should be cleared prior to the exam.

The mid-term exams and final exam constitute long-answer-style questions, followed by CIA University Accreditation Program Preferred Practices. (<http://www.cia-ica.ca/docs/default-source/2017/217119e.pdf>)

Students should also read the Calendar, [Section G](#), on Examinations.

#### 8. **Approved Mandatory And Optional Course Supplemental Fees:**

There are no mandatory or optional course supplemental fees for this course.

#### 9. **Writing Across The Curriculum Statement:**

For all components of the course, in any written work, the quality of the student's writing (language, spelling, grammar, presentation etc.) can be a factor in the evaluation of the work. See also [Section E.2](#) of the University Calendar.

#### 10. **Human Studies Statement:**

Students will not participate as subjects or researchers in human studies.

See also [Section E.5](#) of the University Calendar.

## 11. Reappraisal Of Grades:

A student wishing a reappraisal, should first attempt to review the graded work with the Course coordinator/instructor or department offering the course. Students with sufficient academic grounds may request a reappraisal. Non-academic grounds are not relevant for grade reappraisals. Students should be aware that the grade being reappraised may be raised, lowered or remain the same. See [Section I.3](#) of the University Calendar.

- a. **Term Work:** The student should present their rationale as effectively and as fully as possible to the Course coordinator/instructor within **10 business days** of either being notified about the mark, or of the item's return to the class. If the student is not satisfied with the outcome, the student shall immediately submit the Reappraisal of Graded Term work form to the department in which the course is offered. The department will arrange for a re-assessment of the work if, and only if, the student has sufficient academic grounds. See sections [I.1](#) and [I.2](#) of the University Calendar
- b. **Final Exam:** The student shall submit the request to Enrolment Services. See [Section I.3](#) of the University Calendar.

## 12. Other Important Information For Students:

- a. **Mental Health** The University of Calgary recognizes the pivotal role that student mental health plays in physical health, social connectedness and academic success, and aspires to create a caring and supportive campus community where individuals can freely talk about mental health and receive supports when needed. We encourage you to explore the mental health resources available throughout the university community, such as counselling, self-help resources, peer support or skills-building available through the SU Wellness Centre (Room 370, MacEwan Student Centre, [Mental Health Services Website](#)) and the Campus Mental Health Strategy website ([Mental Health](#)).
- b. **SU Wellness Center:** The Students Union Wellness Centre provides health and wellness support for students including information and counselling on physical health, mental health and nutrition. For more information, see [www.ucalgary.ca/wellnesscentre](http://www.ucalgary.ca/wellnesscentre) or call [403-210-9355](tel:403-210-9355).
- c. **Sexual Violence:** The University of Calgary is committed to fostering a safe, productive learning environment. The Sexual Violence Policy (<https://www.ucalgary.ca/policies/files/policies/sexual-violence-policy.pdf>) is a fundamental element in creating and sustaining a safer campus environment for all community members. We understand that sexual violence can undermine students' academic success and we encourage students who have experienced some form of sexual misconduct to talk to someone about their experience, so they can get the support they need. The Sexual Violence Support Advocate, Carla Bertsch, can provide confidential support and information regarding sexual violence to all members of the university community. Carla can be reached by email ([svsa@ucalgary.ca](mailto:svsa@ucalgary.ca)) or phone at [403-220-2208](tel:403-220-2208).
- d. **Misconduct:** Academic misconduct (cheating, plagiarism, or any other form) is a very serious offence that will be dealt with rigorously in all cases. A single offence may lead to disciplinary probation or suspension or expulsion. The Faculty of Science follows a zero tolerance policy regarding dishonesty. Please read the sections of the University Calendar under [Section K](#). Student Misconduct to inform yourself of definitions, processes and penalties. Examples of academic misconduct may include: submitting or presenting work as if it were the student's own work when it is not; submitting or presenting work in one course which has also been submitted in another course without the instructor's permission; collaborating in whole or in part without prior agreement of the instructor; borrowing experimental values from others without the instructor's approval; falsification/ fabrication of experimental values in a report. **These are only examples.**
- e. **Assembly Points:** In case of emergency during class time, be sure to FAMILIARIZE YOURSELF with the information on [assembly points](#).
- f. **Academic Accommodation Policy:** Students needing an accommodation because of a disability or medical condition should contact Student Accessibility Services in accordance with the procedure for accommodations for students with disabilities available at [procedure-for-accommodations-for-students-with-disabilities.pdf](#).

Students needing an accommodation in relation to their coursework or to fulfill requirements for a graduate degree, based on a protected ground other than disability, should communicate this need, preferably in writing, to the Associate Head of the Department of Mathematics & Statistics, Jim Stallard by email [jbstall@ucalgary.ca](mailto:jbstall@ucalgary.ca) or phone [403-220-3953](tel:403-220-3953). Religious accommodation requests relating to class, test or exam scheduling or absences must be submitted no later than **14 days** prior to the date in question. See [Section E.4](#) of the University Calendar.

- g. **Safewalk:** Campus Security will escort individuals day or night (See the [Campus Safewalk](#) website). Call [403-220-5333](tel:403-220-5333) for assistance. Use any campus phone, emergency phone or the yellow phones located at most parking lot pay booths.

- h. **Freedom of Information and Privacy:** This course is conducted in accordance with the Freedom of Information and Protection of Privacy Act (FOIPP). Students should identify themselves on all written work by placing their name on the front page and their ID number on each subsequent page. For more information, see [Legal Services](#) website.
- i. **Student Union Information:** [VP Academic](#), Phone: [403-220-3911](#) Email: [suvpaca@ucalgary.ca](mailto:suvpaca@ucalgary.ca). SU Faculty Rep., Phone: [403-220-3913](#) Email: [sciencerep@su.ucalgary.ca](mailto:sciencerep@su.ucalgary.ca). [Student Ombudsman](#), Email: [ombuds@ucalgary.ca](mailto:ombuds@ucalgary.ca).
- j. **Internet and Electronic Device Information:** Unless instructed otherwise, cell phones should be turned off during class. All communication with other individuals via laptop, tablet, smart phone or other device is prohibited during class unless specifically permitted by the instructor. Students that violate this policy may be asked to leave the classroom. Repeated violations may result in a charge of misconduct.
- k. **Surveys:** At the University of Calgary, feedback through the Universal Student Ratings of Instruction ([USRI](#)) survey and the Faculty of Science Teaching Feedback form provides valuable information to help with evaluating instruction, enhancing learning and teaching, and selecting courses. Your responses make a difference - please participate in these surveys.
- l. **Copyright of Course Materials:** All course materials (including those posted on the course D2L site, a course website, or used in any teaching activity such as (but not limited to) examinations, quizzes, assignments, laboratory manuals, lecture slides or lecture materials and other course notes) are protected by law. These materials are for the sole use of students registered in this course and must not be redistributed. Sharing these materials with anyone else would be a breach of the terms and conditions governing student access to D2L, as well as a violation of the copyright in these materials, and may be pursued as a case of student academic or [non-academic misconduct](#), in addition to any other remedies available at law.
- m. **Canadian Institute of Actuaries Ethics:** In addition to the university's internal policies on conduct, including academic misconduct ([Section K of the online calendar](#)), candidates pursuing credits for writing professional examinations shall also be subject to the Code of Conduct and Ethics for Candidates in the CIA Education System and the associated Policy on Conduct and Ethics for Candidates in the CIA Education System. For more information, please visit [Obtaining UAP Credits and the CIA FAQ](#)

#### Course Outcomes:

- Define key finance terms and concepts, including different types of firms, personal and corporate taxation, financial instruments – bond, stock, basic options (calls, puts); dividends; price to earnings ratio, capital structure, WACC
- Describe and apply modern principles and models of corporate finance: mean-variance optimization, CAPM models, Modigliani-Miller propositions
- Assess financial performance and investment decisions using various measures: balance sheet; income statement; statement of cash flows, financial ratios (e.g., leverage, liquidity, profitability, market value ratios); net present value; the payback, discounted payback models; internal rate of return and profitability index models
- Conduct sensitivity analysis of the price of bonds
- Calculate the value of stocks
- Describe and apply financial concepts to assess risk and return, including: diversifiable and systematic risk, connection between risks and returns, CAPM model, mean-variance portfolio optimization, cost of capital for corporations and projects, impact of market efficiency and taxation.

Department Approval:

Electronically Approved

Date: 2019-08-30 13:36