

FIN355 Equity Securities

Level: 3

Credit Units: 5 Credit Units

Language: ENGLISH

Presentation Pattern: EVERY JAN

Synopsis:

The growth of capital markets over the past two decades has been accompanied by a rapid growth in share ownership among retail investors. Until the eighties, investments in equity markets were confined primarily to institutional investors and high net worth individuals. With deregulation, falling brokerage commissions, improved disclosure and an ever expanding cohort of companies that tap equity markets to mobilize funds, there has been a dramatic increase in the numbers of individual investors in equity markets. Needless to say, valuation of securities is critical to decisions to invest. This course covers valuation models used in equity markets. It will prepare students to analyse companies and thereafter determine their value.

Topics:

- Basics of equity analysis and valuation
- Defining cash flows and calculating cost of capital
- Dividend discount models
- Free cash flow models
- Residual income models
- Relative valuation models

Textbooks:

: FIN355 Valuation of a Company and Its Shares
ISBN-13: BN-0169

Learning Outcome:

- Outline the process of security analysis
- Construct the process of equity analysis
- Analyse how the various valuation models work
- Appraise valuation models and choose the most appropriate one to value securities
- Distinguish between fundamental analysis and technical analysis
- Design and draft a valuation report of a company's shares
- Apply economic analysis, industry analysis and company analysis
- Value a company's shares
- Formulate reports on equity analysis
- Demonstrate the essential knowledge and interpersonal skills to exchange ideas about investment and equities effectively in a team
- Demonstrate proficiency in writing on investment ideas and equity analysis coherently

Assessment Strategies (Daytime Class):

Components	Description	Weightage Allocation (%)
Overall Continuous Assessment	TUTOR-MARKED ASSIGNMENT 1	20
	GROUP BASED ASSIGNMENT 1	20
	PARTICIPATION 1	10
Overall Examinable Components	ECA-REPORT	32.5
	ECA-VIDEO	12.5
	ECA-POWERPOINT	5
Total		100