

Course Name/Code	: Analysis of Securities – ISL
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Aim of The Course

The primary objective of the analysis of securities course is informing students about financial markets, money and capital markets, Euro markets, financial instruments, stock exchanges, Istanbul Stock Exchange (ISE), types of financial institutions, mutual funds, bond types, bond pricing and bond ratings, investment companies, financial intermediaries, efficient market hypothesis, portfolio analysis and diversification, risk classifications and return, cash flows, fundamental analysis, technical analysis and stock selection models. In addition, Capital Markets Board of Turkey (CMB), Turkish Banking Regulation and Supervision Agency, capital markets law, mission and functions of the Central Bank of the Republic of Turkey, interest rates, forward rates, futures and forwards, international financial management and system, financial regulations and financial innovations will be discussed as a part of the Analysis of Securities course. Finally, it is aimed to teach the students calculating the value of a bond, stock or generally security by the help of quantitative exercises. Computations regarding cross rates, quotations, interest rate parity, purchasing power parity, return of a security, present value, future value, the annuity rule, rule of 72, residual income and Economic Value Added (EVA) will also be taught to students.

Course Outcomes

Upon completion of this course, the student should:

1. compare & contrast the fundamental analysis and technical analysis
2. know the differences between money and capital markets
3. reflect detailed information about financial markets
3. describe and explain the different types of financial instruments
4. illustrate fundamental knowledge of Istanbul Stock Exchange (ISE) and other stock exchange systems
5. build familiarity with financial institutions and financial intermediaries
6. describe and explain mutual funds as well as bond types, bond pricing and bond ratings
7. learn about efficient market hypothesis
8. discover the idea behind portfolio diversification and analysis
9. have strong theoretical background of the term risk, risk classifications and return
10. explain the purpose and functions of Central Bank of the Republic of Turkey and Capital Markets Board of Turkey
11. be acquainted with the Turkish Capital Markets Law
12. comprehend the differences between forwards and futures
13. represent knowledge of international financial management
14. be updated about recent financial regulations and innovations
15. calculate the value of bonds, stocks and generally the securities
16. solve problems and exercise covering cross rates, quotations, interest rate parity, purchasing power parity, security return, present value, future value, annuity rule, rule of 72, residual income and EVA

Method

The instructor can take advantage of methods such as classroom discussions, assignments, group projects, case studies, lectures, questions and exercises from the textbook, Power Point presentations, student experiences and responses.

1. Grahman, Benjamin and Dodd, David, “Security Analysis: Sixth Addition”, McGraw Hill Publishing, 2008
2. Penman, Stephan, “Financial Statement Analysis and Security Valuation”, McGraw Hill Publishing, 2009
3. Klein, Peter and Iammartino, Brian, “Getting Started in Security Analysis”, John Wiley and Sons Publishing, 2009

Attendance Procedure

Attendance is a significant and serious indicator of success in the Analysis of Securities course. Students are responsible for arriving class on time, following the flow of courses carefully and remaining in the class until the end of session. Course contents are tightly related and sessions continue progressively. Thus, missing courses will negatively affect the overall achievement of students.

Note: In case you miss a class, please contact your instructor via e-mail and learn the contents mentioned in class. Also check if you have any assignments due for the Analysis of Securities course. Even if you miss a class because of unexpected and involuntary reasons, make sure to cover the topics and catch up with your classmates. Late assignments are not accepted in general. The instructor will only accept late assignments if you have a special case.

Reward and Motivation Policy for Good Attendance: At the end of the term, instructor will check the attendance of all students in class. Students with highest attendance will earn extra 10 points added to their final exam.

Course Adjustments and Changes:

The course syllabus is an overall guide for the Analysis of Securities class. Instructor reserves the right to make periodic and specific changes-adjustments to the syllabus, which can cover assignments, group projects, case studies, schedule, examinations, etc. The adjustments and changes will be implemented for the advantage of students and satisfying the necessities of the course.

Course Schedule - Contents of the Managerial Accounting Class

Period	Unit	Topic	Material	Assignment	Assessment
February 11	An Introduction to Analysis of Securities Course, the Financial System, Financial Markets, Financial Institutions, Intermediaries and Instruments				
February 18	International Financial Management and System,				

	Interest Rates, Forwards and Futures				
February 25	Stock Exchange Systems, Istanbul Stock Exchange (ISE), Central Bank of the Republic of Turkey, Turkish Banking Regulation and Supervision Agency, Capital Markets Board of Turkey (CMB), Capital Markets Law				
March 4	Mutual Funds, Bond Types, Bond Pricing, Bond Ratings, Efficient Market Hypothesis, Portfolio Analysis and Diversification, Risk Classifications and Return, Cash Flows, Fundamental and Technical Analysis, Stock Selection Models, Financial Regulations and Innovations				
March 11	MIDTERM I				
March 18	Exercises and problems on security valuation – bond and stock valuation				
March 25	Exercises and problems regarding cross rates, quotations, interest rate parity, purchasing power parity,				

	return of a security, present value, future value, the annuity rule, rule of 72, residual income and Economic Value Added (EVA)				
April 1	MIDTERM II				
April 8	Group Project Assignment and Presentation - I				
April 15	Group Project Assignment and Presentation - II				
April 22	Group Project Assignment and Presentation - III				
April 29	Group Project Assignment and Presentation - IV				
May 6	Group Project Assignment and Presentation - V				
May 13	FINAL				

Evaluation Methods and Tools

Examinations will cover materials presented in the class such as Power Point presentations and case studies. Additional information provided and mentioned by the instructor during the courses and textbook materials can also be asked in examinations. Unless mentioned otherwise, there will be two mid-term exams, one group project assignment & presentation and one final exam.

A summary of the grading follows:

Midterm I: 20%, Midterm II – 20%, Group Project Assignment and Presentation – 30%, Final Exam: 30% (Attendance & Class Participation: Extra 10 Points Added to Final Exam)

Assignments

Group Project Assignment and Presentation: Each team of four students will prepare a group project assignment and present it in the class. All teams will be assigned a specific financial institution in Turkey, run a detailed research about it and inform their classmates via a Powerpoint presentation. The group project assignment should be between 25-35 pages excluding the cover page and references. Demonstration of strong and detailed research is a must. The instructor will provide separate materials to students including a sample cover page, interior pages, information about the footnote and referencing systems. These will also be explained in detail during the class by instructor. The required technology for presentations such as laptop PC and projector will also be provided to students by the instructor.

The group project assignment should not contain errors in spelling, punctuation, style, etc. Dictionaries, spellcheckers, and other techniques of checking and proofreading can be utilized. Assignments submitted to the instructor can be keyboarded with PC or hand written. However, submissions via e-mail are not allowed. All submissions, keyboarded with PC or handwritten should be personally delivered to the

instructor. Late assignments will not be accepted. Presentations should be prepared professionally and each student must contribute equally to both the group assignment project and presentation.

Grading is as follows: Ten points will be deducted from the overall group project assignment grade for each specific error such as grammar and spelling errors, punctuation errors, not using footnotes, having no reference pages, inadequate research, preparing a project less than 25-35 pages and coming up with unprofessional papers, presentations. Starting the presentation with a delay, not completing it on time and contributing unequally to distribution of work are not accepted.

Class Participation and Assignment

Students will improve their learning process by asking questions to better understand the concepts. Brainstorming, discussing with the instructor and classmates as a part of class participation are also ideal for effective learning. By the help of these activities, students will have a much better grasp of theories, principles and topics. The instructor can also lead students solving problems and providing ideas, insights and viewpoints for specific issues in order to accelerate the active learning. Success in the Analysis of Securities course is heavily dependent on attending courses, listening the class carefully and preparing assignments on time with special care.

Academic Dishonesty:

Each student in the Analysis of Securities course is expected to abide by Academic Integrity. Academic dishonesty is against the laws and regulations of the university and thus will not be accepted. All students determined to be a part of verifiable issues of academic dishonesty (copying, cheating, plagiarism, etc.) will considered to have demonstrated unethical behaviors and receive a grade of “F” for the class.