Commerce 3FB3
Security Analysis
Fall 2026 Course Outline

Finance and Business Economics Area
DeGroote School of Business
McMaster University

COURSE OBJECTIVE

The objective of this course is to introduce students to the theory and practice of investment analysis. The student should obtain a broad knowledge of financial markets and portfolio management principles and develop understanding of the factors determining the average returns and the risk of financial assets.

INSTRUCTOR AND CONTACT INFORMATION

Section C01: Wed 7:00pm-10:00pm

Dr. Ronald Balvers, Instructor
balvers@mcmaster.ca Office:
DSB A105
Office Hours:
Thu 3:00pm-5:00pm, Fri: 2:00pm-4:00pm

Yasaman Hashemisanjani, Teaching Assistant
hashemiy@mcmaster.ca
MCCD 6xx
Office Hours:
Tue 2:30pm-4:30pm

Course website: http://avenue.mcmaster.ca

COURSE ELEMENTS

Credit Value:	3	Leadership:	No	IT skills:	Yes	Global view:	Yes
Avenue to Learn:	Yes	Ethics:	No	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	No	Group work:	Yes	Oral skills:	No
Evidence-based:	Yes	Experiential:	Yes	Final Exam:	Yes	Guest speaker(s):	No

COURSE DESCRIPTION

This course is taught in-person. Students will gain a better understanding of both the theory and practice of investment analysis and security selection. We will talk about the investment environment and financial markets. We will study how to evaluate securities and learn about investment management and performance assessment. An experiential component involving portfolio investment under realistic conditions is included as a group assignment. Numerical examples, exercises, and individual assignments will make use of Excel.

LEARNING OUTCOMES

Upon successful completion of the course, students will:

- Possess good understanding of financial markets and instruments
- Be able to assess the risks associated with various investment strategies
- Be familiar with basic portfolio theory and able to conduct security and portfolio analysis
- Understand the various explanations of differences in average returns among assets
- Understand basic valuation techniques and how to use them to make investment decisions

COURSE MATERIALS AND READINGS

Required Textbook:

Investments. Eleventh Canadian Edition, by Z. Bodie, A. Kane, A.J. Marcus, L.N. Switzer, B. Boyko, C. Panasian and M. Stapleton; McGraw-Hill Ryerson, 2025.

The cost for eText 180 days is CAD 69.00 (ISBN: 9781264505913).
The cost for eText 360 days with Connect is CAD 109.00 (ISBN: 9781264493746).

Older hardcopy editions (ninth or tenth only) are permitted for the course.

- The **Connect** supplementary material is optional.

All other course materials are available on Avenue to Learn

- http://avenue.mcmaster.ca

COURSE EVALUATION

You will be evaluated based on five components according to the weights indicated below.

Missed tests/exams receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. Late assignments will not be accepted. Your final grade will be calculated as follows:

Components	Weight
Individual Assignments (three)	15%
Participation (best five from quizzes + questioning)	20%
Midterm Exam	25%
Final Exam	25%
Group Investment Challenge	25%
Worst grade of Midterm, Final, and Group Project	-10%
Total	100%

NOTE 1: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy.
NOTE 2: Attendance is not required. However, it will be difficult to obtain participation credit without regular attendance.

COURSE DELIVERABLES AND ASSESSMENT

Group Project–Investment Challenge
This assignment is worth 25**%** of your final grade. You will work in pre-assigned groups of 5 (possibly 4 for some, depending on section totals). All members of the groups are expected to be familiar with the ENTIRE content of their submission, as plagiarism is a serious academic offense, and any sanctions would be applied to all group members.

Midterm Exam
There is one midterm exam that accounts for 25**%** of your final grade. The exam will consist of multiple choice, short-answer questions, and long-answer components and will cover material from the assigned textbook chapters and the lectures.

Individual Assignments
There will be three individual assignments. Each counts for 5% of your final grade.

Participation
The average of your five best grades received for the assignments “quizzes” given during class (at least six in the course of the term) plus a grade for answering questions when called on (before each class up to four students can sign up to be “questioned” (can sign up at most twice a term) will count for 20% of your final grade. A quiz grade is based on attendance as well as correctness of the answers.

Each individual assignment and the group assigment must be submitted electronically on Avenue to Learn in the form of a Word document, Excel document, or in PDF format.

COMMUNICATION AND FEEDBACK

Students who wish to correspond with the instructor or TA directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants. Instructors are required to provide evaluation feedback for at least *10% of the final grade to students prior to Week #9 in the term.* Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

GENERATIVE AI

If not disallowed explicitly for exams, quizzes, or assignments, students may use generative AI in this course so long as the use is referenced and cited. Use of generative AI outside assessment guidelines or without citation will constitute academic dishonesty. It is the student's responsibility to be clear on the expectations for citation and reference and to do so appropriately.

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy.

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

AUTHENTICITY / PLAGIARISM DETECTION

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. Avenue to Learn, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software. **All submitted work is subject to normal verification that standards of academic integrity have been upheld** (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

IMPORTANT LINKS

- Mosaic
- Avenue to Learn
- Student Accessibility Services - Accommodations
- McMaster University Library

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the *Code of Student Rights & Responsibilities* (the "Code"). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, whether in person or online.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue to Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students' access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact Student Accessibility Services (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University's *Academic Accommodation of Students with Disabilities* policy.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the RISO policy. Students should submit their request to their Faculty Office ***normally within 10 working days*** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

POTENTIAL MODIFICATION TO THE COURSE

The instructor reserves the right to modify elements of the course during the term. There may be changes to the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to **check their McMaster email and course websites weekly during the term and to note any changes.**

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 3FB3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

Commerce 3FB3-C01, Security Analysis
Fall2026 Course Schedule

WEEK	DATE	TOPICS
1	Sep 9	**Financial Markets and Valuation (no quiz)** Read: Chapters 1, 2, 18.1-18.3
2	Sep 16	**Financial Instruments and Trading** Read: Chapters 3, 4
3	Sep 23	**Risk and Portfolio Decisions** Read: Chapters 5, 6.
4	Sep 30	**Truth and Reconciliation** NO CLASS
5	Oct 7	**Risk and Portfolio Decisions** Read: Chapter 7. ***Assignment 1 due: Oct 12***
6	Oct 14	**Mid-Term Recess** NO CLASS
7	Oct 21	**Index Models** Read: Chapter 8.
8	Oct 28	**MIDTERM EXAM Chapters 1-8 + 18.1-18.3.**
9	Nov 4	**The CAPM** Read: Chapter 9
10	Nov 11	**Arbitrage Pricing** Read: Chapter 10. ***Assignment 2 due Nov 16***
11	Nov 18	**Market Efficiency and Behavioral Finance** Read: Chapters 11, 12.
12	Nov 25	**Bond Pricing, Security Analysis** Read: Chapters 14, 15, 17, 18.4-18.6.
13	Dec 2	**Portfolio Analysis and Evaluation** Read: Chapters 24, 27. ***Assignment 3 due Dec 7***
14	Dec 9	**Presentations of Group Reports** *Investment Challenge Assignment due Dec 10*

Note: The above schedule is subject to change.
Final Exam: between Dec 11 and Dec 23