

# BUSM 7083 SECURITY ANALYSIS AND PORTFOLIO THEORY

**Credit Points** 10

**Legacy Code** 51212

**Coordinator** Heath Spong ([https://directory.westernsydney.edu.au/search/name/Heath Spong/](https://directory.westernsydney.edu.au/search/name/Heath%20Spong/))

**Description** This unit examines the valuation of assets, firms and securities. The focus is on the attempt by active investors to identify mispriced securities through projection of a firm's future cash flows based on pro forma financial statements, translating those projections to values and dividing the firm value among the different security holders of the firm. Students develop their understanding of accounting, finance and economic concepts in this applied unit by building models of a firm and conducting analyses of the equity valuation.

**School** Business

**Discipline** Business And Management

**Student Contribution Band** HECS Band 4 10cp

**Level** Postgraduate Coursework Level 7 subject

## Restrictions

Students must be enrolled in a postgraduate Business program.

## Learning Outcomes

On successful completion of this subject, students should be able to:

1. Analyse financial and non-financial company and industry information;
2. Assess a company's future prospects;
3. Classify the concepts and limitations of traditional valuation approaches;
4. Valuate different types of securities;
5. Classify the concepts of alternative valuation approaches;

## Subject Content

Introduction to valuation  
 Understanding the business  
 Accounting Analysis  
 Financial Ratio Analysis  
 Cash Flow Analysis  
 Forecasting Details  
 The cost of capital  
 Valuations  
 Valuation ratios  
 Some complications

## Assessment

The following table summarises the standard assessment tasks for this subject. Please note this is a guide only. Assessment tasks are regularly updated, where there is a difference your Learning Guide takes precedence.

Item	Length	Percent	Threshold	Individual/ Group Task
Intra-session Exam	1.5 hours	20	N	Individual
Report	2,000 words	20	N	Group
Final Exam	2 hours	50	N	Individual
Reflection	500 words	10	N	Individual

## Prescribed Texts

- Lundholm, R & Sloan, R 2013, Equity valuation and analysis, 3rd edn, McGraw-Hill.

## Teaching Periods

### Quarter 2

#### Parramatta City - Macquarie St

#### Evening

**Subject Contact** Heath Spong ([https://directory.westernsydney.edu.au/search/name/Heath Spong/](https://directory.westernsydney.edu.au/search/name/Heath%20Spong/))

View timetable ([https://classregistration.westernsydney.edu.au/even/timetable/?subject\\_code=BUSM7083\\_22-Q2\\_PC\\_E#subjects](https://classregistration.westernsydney.edu.au/even/timetable/?subject_code=BUSM7083_22-Q2_PC_E#subjects))