



AFIN805

Research Methodology in Finance

S1 Day 2014

Applied Finance and Actuarial Studies

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General Information

Unit convenor and teaching staff Unit Convenor Geoff Loudon geoff.loudon@mq.edu.au Contact via geoff.loudon@mq.edu.au
Credit points 4
Prerequisites Permission of Executive Dean of Faculty
Corequisites
Co-badged status
Unit description This unit commences with an overview and critical analysis of the methodology of contemporary research in finance. The balance of the unit examines theoretical and empirical issues related to the pricing of securities in financial markets.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

- Understand the nature of finance research
- Critically evaluate research in finance
- Conduct a small research project
- Develop a successful research proposal

Assessment Tasks

Name	Weighting	Due
Presentations	25%	Weeks 5-12
Assignment	25%	Week 7

Name	Weighting	Due
<u>Case Study/Report</u>	50%	Week 13

Presentations

Due: **Weeks 5-12**

Weighting: **25%**

Description

Present critiques of existing research.

Submission

Activity completed in class. A hard copy of the presentation material is to be handed to convenor prior to start of presentation.

Extension

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand the nature of finance research
- Critically evaluate research in finance

Assignment

Due: **Week 7**

Weighting: **25%**

Description

Replicate some existing research in asset pricing.

Submission

Email convenor a soft copy of the report and the data used no later than 10pm on the day of the relevant class.

Extension

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand the nature of finance research
- Critically evaluate research in finance
- Conduct a small research project

Case Study/Report

Due: **Week 13**

Weighting: **50%**

Description

Prepare and present an individual research proposal. Written report counts toward 40% of overall grade and oral presentation counts for 10%.

Submission

Email convenor a soft copy of the proposal and presentation slides no later than 10pm on the day of the relevant class.

Extension

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand the nature of finance research
- Critically evaluate research in finance
- Conduct a small research project
- Develop a successful research proposal

Delivery and Resources

Delivery and Resources

Classes

- Classes comprise a weekly, three-hour seminar. Students should attend all classes, both for learning and assessment purposes.
- The timetable for classes can be found on the University web site at: <http://www.timeables.mq.edu.au/>

Required and Recommended Texts and/or Materials

- There is no prescribed textbook. Readings are taken from relevant academic books and journals. Refer to unit web site for further details on reading materials.

Unit Web Page

- Course material is available on the learning management system (iLearn)
- Students should consult the web page frequently. Learning, teaching and other reference materials are posted to this site throughout the semester.

Teaching and Learning Activities

- Teaching in this unit occurs in a workshop environment. Each session runs for three hours including breaks and consists of a variety of interactive learning activities.
- Since empirical research in finance is best learned by doing, this unit is taught interactively using an informal, 'hands on' approach. Students obtain most benefit from the unit by acquiring first hand familiarity with how to model price behaviour in financial markets. We therefore carefully work through research papers as well as accessing and analysing data. As research is a cooperative effort embracing shared knowledge and skills, you are actively encouraged to work together with your fellow students, wherever appropriate.
- Students must thoroughly read all assigned articles before coming to the class so that they are fully prepared to discuss the key issues. Students who do not voluntarily participate in class discussion should expect prompting from the instructor to contribute.

Technology Used and Required

- Access to the unit Web Site.
- Word processing software for report writing.
- Software for producing visual aids during presentations.
- Specialised software for manipulating data and econometric testing.

Research and practice

- This unit uses research from external sources.
- This unit gives you practice in applying research findings in your assignments.
- This unit gives you opportunities to conduct your own research.

Changes since the Last Offering of this Unit

- Topic list revised and readings updated.

Unit Schedule

Week	Topic
1	Conducting research in finance
2	Empirical research methods in finance: part 1
3	Empirical research methods in finance: part 2
4	Empirical research methods in finance: part 3
5	Cross-sectional asset pricing tests
6	The equity risk premium
	<i>Mid session break</i>
7	Return predictability
8	Funds management
9	Derivatives pricing and hedging
10	Corporate finance
11	Risk management
12	Behavioural finance
13	Research proposal presentations

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.ht

[ml](#)

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy http://mq.edu.au/policy/docs/grievance_management/policy.html

Disruption to Studies Policy http://www.mq.edu.au/policy/docs/disruption_studies/policy.html *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/support/student_conduct/

Supplementary Exams

Further information regarding supplementary exams, including dates, is available here http://www.businessandeconomics.mq.edu.au/current_students/undergraduate/how_do_i/special_consideration

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

Graduate Capabilities

PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

Learning outcomes

- Understand the nature of finance research
- Critically evaluate research in finance
- Conduct a small research project
- Develop a successful research proposal

Assessment tasks

- Presentations
- Assignment
- Case Study/Report

PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

- Understand the nature of finance research
- Critically evaluate research in finance
- Conduct a small research project
- Develop a successful research proposal

Assessment tasks

- Presentations
- Assignment
- Case Study/Report

PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

Learning outcomes

- Critically evaluate research in finance
- Conduct a small research project
- Develop a successful research proposal

Assessment tasks

- Presentations
- Assignment
- Case Study/Report