



AFIN352

Applied Portfolio Management

S2 Evening 2016

Dept of Applied Finance and Actuarial Studies

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	5
<u>Unit Schedule</u>	6
<u>Policies and Procedures</u>	6
<u>Graduate Capabilities</u>	7
<u>Changes from Previous Offering</u>	9
<u>Research and Practice</u>	10

Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

General Information

Unit convenor and teaching staff

Lecturer

Chi Truong

chi.truong@mq.edu.au

Contact via 9850 8481

E4A 452

Angela Chow

angela.chow@mq.edu.au

Credit points

3

Prerequisites

6cp at 200 level including (AFIN252 or ((ACST201 or ACST202) and AFIN250))

Corequisites

Co-badged status

Unit description

This unit provides students with the analytical skills and techniques required to effectively manage diversified portfolios of securities. The unit prepares students for asset allocation management and performance assessment of diversified portfolios. Issues relating to the management of portfolios containing options, futures and other derivatives will also be reviewed. After completing this unit students have greater knowledge for effective portfolio management and an increased awareness of potential practical problems in implementation.

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 investment decision making processes from the perspective of the portfolio manager

Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation

Develop a fundamental understanding of basic asset allocation tools and progress to advanced topics, such as estimation of inputs etc.

Read and interpret current research in portfolio management and apply to project work

General Assessment Information

Assessment criteria for all assessment tasks will be provided on the unit iLearn site

Consultation: Teacher consultation times will be posted to iLearn.

Questions: Subject-related questions whose answer is useful to everyone should be posted to the iLearn discussion board. Questions of a personal nature can be emailed to the teachers.

Extensions: No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

Marks in gradebook: It is the responsibility of students to view their marks for each assessment on iLearn within 20 working days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment tasks (not including the final exam mark) will not be addressed.

Assessment Tasks

Name	Weighting	Due
<u>Online quiz</u>	5%	Week 3
<u>Class Test</u>	20%	Week 7
<u>Assignment</u>	20%	Week 10
<u>Final Examination</u>	55%	University Examination Period

Online quiz

Due: **Week 3**

Weighting: **5%**

This on-line quiz is scheduled at the end of Week 3 to provide early feedback. Please use the quiz as an indicator of whether you are progressing satisfactorily in the unit. If you are having difficulties, please see the Unit Convenor and consider withdrawing before the census date on Friday of Week 4.

On successful completion you will be able to:

- Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation

Class Test

Due: **Week 7**

Weighting: **20%**

This test is scheduled to be held during the regular lecture day and time in Week 7. Refer to iLearn for further details.

On successful completion you will be able to:

- Understand the investment decision making processes from the perspective of the portfolio manager
- Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation
- Develop a fundamental understanding of basic asset allocation tools and progress to advanced topics, such as estimation of inputs etc.

Assignment

Due: **Week 10**

Weighting: **20%**

Assignment will be submitted via iLearn. Students will be required to carry out research in a group of 4 students. 50% of the marks will be allocated based on individual performance, and 50% is allocated based on group performance. Details will be posted to ilearn.

On successful completion you will be able to:

- Understand the investment decision making processes from the perspective of the portfolio manager
- Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation
- Develop a fundamental understanding of basic asset allocation tools and progress to advanced topics, such as estimation of inputs etc.
- Read and interpret current research in portfolio management and apply to project work

Final Examination

Due: **University Examination Period**

Weighting: **55%**

The final exam is based on topics covered during lecture weeks 1 to 13, inclusive. Total time available for the final examination is 2 hours (excluding reading time). No dictionaries of any kind are allowed in the final examination. Non-programmable calculators are allowed, provided that they are not capable of storing text.

On successful completion you will be able to:

- Understand the investment decision making processes from the perspective of the portfolio manager
- Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation
- Develop a fundamental understanding of basic asset allocation tools and progress to advanced topics, such as estimation of inputs etc.

Delivery and Resources

Classes

- The weekly three hour class time for this unit consists of a two hour lecture and a one hour tutorial.
- The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

Prizes

Prizes for this unit (see).

http://www.businessandconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships

Recommended Texts and/or Materials

- *There are no required textbooks that must be bought. But the following textbooks are recommended.*
- *'Running Money: Professional Portfolio Management', Scott D. Stewart, Christopher D. Piros, Jeffrey C. Heisler, McGraw Hill, 2011*
- *'Fundamentals of Futures and Options Markets', John C. Hull, Sirimon Treepongkaruna, Richard Heaney, David Pitt and David Colwell, Person, 2014. However relevant resources and chapters will be provided to you (No hard-copy is required to purchase)*
- These are available for purchase from the Macquarie University Co-op Bookshop, and a copy will be available in the closed reserve section of the Macquarie Library.

Technology Used and Required

Unit Web Page

- The web page for this unit can be found at: <http://ilearn.mq.edu.au>
- It is the responsibility of students to visit the unit site regularly. Course material is available on the learning management system (iLearn).
- Lecture notes, tutorial solutions, unit announcements, and other reference materials will be posted to this site throughout the semester.

Unit Schedule

Refer to iLearn for the unit schedule of topics each week.

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.html

New Assessment Policy in effect from Session 2 2016 http://mq.edu.au/policy/docs/assessment/policy_2016.html. For more information visit http://students.mq.edu.au/events/2016/07/19/new_assessment_policy_in_place_from_session_2/

Assessment Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/grading/policy.html>

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

Complaint Management Procedure for Students and Members of the Public http://www.mq.edu.au/policy/docs/complaint_management/procedure.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/

Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au.

Further information regarding supplementary exams, including dates, is available here:

http://students.mq.edu.au/student_admin/exams/disruption_to_studies/

Supplementary Examinations

Further information regarding supplementary exams, including dates, is available here

http://www.businessandconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies

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://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

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

Graduate Capabilities

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Understand the investment decision making processes from the perspective of the portfolio manager

- Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation
- Develop a fundamental understanding of basic asset allocation tools and progress to advanced topics, such as estimation of inputs etc.
- Read and interpret current research in portfolio management and apply to project work

Assessment tasks

- Online quiz
- Class Test
- Assignment
- Final Examination

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Understand the investment decision making processes from the perspective of the portfolio manager
- Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation
- Develop a fundamental understanding of basic asset allocation tools and progress to advanced topics, such as estimation of inputs etc.
- Read and interpret current research in portfolio management and apply to project work

Assessment tasks

- Online quiz
- Class Test
- Assignment
- Final Examination

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Understand the investment decision making processes from the perspective of the portfolio manager
- Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation
- Develop a fundamental understanding of basic asset allocation tools and progress to advanced topics, such as estimation of inputs etc.
- Read and interpret current research in portfolio management and apply to project work

Assessment tasks

- Online quiz
- Class Test
- Assignment
- Final Examination

Effective Communication

We want to develop in our students the ability to communicate and convey their views in forms effective with different audiences. We want our graduates to take with them the capability to read, listen, question, gather and evaluate information resources in a variety of formats, assess, write clearly, speak effectively, and to use visual communication and communication technologies as appropriate.

This graduate capability is supported by:

Learning outcomes

- Understand the investment decision making processes from the perspective of the portfolio manager
- Develop skills to apply the ideas of the Mean Variance Approach to Asset Allocation
- Develop a fundamental understanding of basic asset allocation tools and progress to advanced topics, such as estimation of inputs etc.
- Read and interpret current research in portfolio management and apply to project work

Assessment task

- Assignment

Changes from Previous Offering

Change in administration and teaching staff. Small changes to topics.

Research and Practice

- This unit gives you practice in applying research findings in your assignments
- This unit gives you opportunities to conduct your own research