



# AFIN352

## Applied Portfolio Management

S1 Day 2019

*Department of Applied Finance*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Unit Convenor

Simon Wong

[shiu.wong@mq.edu.au](mailto:shiu.wong@mq.edu.au)

Please refer to iLearn

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:

Examine the investment decision making processes from the perspective of the portfolio manager

Define and critique various approaches to asset allocation

Understand, compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.

Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment

## General Assessment Information

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

**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 teaching assistant at [afin352@mq.edu.au](mailto:afin352@mq.edu.au).

**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	Hurdle	Due
<a href="#">Online quiz</a>	0%	No	26 March 2019
<a href="#">Class Test</a>	25%	No	Week 6
<a href="#">Project</a>	25%	No	Various
<a href="#">Final Examination</a>	50%	No	University Examination Period

### Online quiz

Due: **26 March 2019**

Weighting: **0%**

#### Task Description:

This on-line quiz is 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.

**Type of Collaboration:** Individual **Submission:** via iLearn **Format:** Multiple choice questions

**Length:** Please refer to iLearn **Late Submission:** No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of zero (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:

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

## Class Test

Due: **Week 6**

Weighting: **25%**

### Task Description:

Class test

**Type of Collaboration:** Individual **Submission:** In class **Format:** Please refer to iLearn

**Length:** Please refer to iLearn **Late Submission:** No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of zero (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:

- Examine the investment decision making processes from the perspective of the portfolio manager
- Define and critique various approaches to asset allocation
- Understand, compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.

## Project

Due: **Various**

Weighting: **25%**

### Task Description:

This is a Project Report task which is composed of Group and Individual components.

Students will be required to carry out research in a group of 4-5. The project consists of three parts:

1. Group Analysis Report (10%) - to be completed by the group and due in Week 9, Mon 6 May at 11.30pm
2. Individual Report (7.5%) - to be completed individually based on the analysis and due in Week 9, Fri 10 May at 11.30pm
3. Individual Presentation (7.5%) - to be completed in Week 10, 11 & 12. Students will be notified the actual presentation date and time.

The Group Analysis Report and Individual report have to be submitted via Turnitin and iLearn. Further details will be posted to iLearn.

**Type of Collaboration:** Group and Individual **Submission:** via iLearn **Format:** Report and Presentation **Length:** Please refer to iLearn **Late Submission:** No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of zero (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:

- Examine the investment decision making processes from the perspective of the portfolio manager
- Define and critique various approaches to asset allocation
- Understand, compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.
- Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment

## Final Examination

Due: **University Examination Period**

Weighting: **50%**

### Task Description:

Final Exam

You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page will not be returned to you at the end of the final examination.

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.

**Type of Collaboration:** Individual **Submission:** In class during examination period **Format:** Please refer to iLearn **Length:** Two hours **Late Submission:** No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of zero (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:

- Examine the investment decision making processes from the perspective of the portfolio manager
- Define and critique various approaches to asset allocation
- Understand, compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.

## 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](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.*
- *'Investments', Zvi Bodie, Alex Kean, Alan J. Marcus, McGraw-Hill Education, Latest Edition*
- *'Essentials of Investments', Zvi Bodie, Alex Kean, Alan J. Marcus, McGraw-Hill Education, Latest Edition. (Easier edition of the above.)*
- *'Investment Science', David Luenberger, Oxford University Press, Latest Edition*
- *'Fundamentals of Futures and Options Markets', John C. Hull, Pearson, Latest Edition*
- However relevant resources and chapters will be provided to you (No hard-copy is mandatory)
- 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](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/student-conduct>

## Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) 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](https://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

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

[http://students.mq.edu.au/student\\_admin/exams/disruption\\_to\\_studies/](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](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](http://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](http://ask.mq.edu.au)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@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/](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

### Capable of Professional and Personal Judgement and Initiative

We want our graduates to have emotional intelligence and sound interpersonal skills and to demonstrate discernment and common sense in their professional and personal judgement. They will exercise initiative as needed. They will be capable of risk assessment, and be able to handle ambiguity and complexity, enabling them to be adaptable in diverse and changing environments.

This graduate capability is supported by:



## Learning outcomes

- Examine the investment decision making processes from the perspective of the portfolio manager
- Define and critique various approaches to asset allocation
- Understand, compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.
- Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment

## Assessment tasks

- Project
- Final Examination

## 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

- Examine the investment decision making processes from the perspective of the portfolio manager
- Define and critique various approaches to asset allocation
- Understand, compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.
- Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment

## Assessment tasks

- Online quiz
- Class Test
- 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

- Define and critique various approaches to asset allocation
- Understand, compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.
- Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment

### Assessment tasks

- Class Test
- Project
- 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, compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.
- Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment

### Assessment task

- Project

## 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

## Changes since First Published

Date	Description
12/03/2019	Assessment- Change of Individual project due day(It was a typo before): Thu 6 May -> Fri 10 May