



# AFIN875

## Investing in Emerging Markets

S2 Day 2019

*Department of Applied Finance*

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## General Information

Unit convenor and teaching staff

Unit Convenor

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Refer to iLearn

Angela Chow

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Credit points

4

Prerequisites

ACST603 or AFIN818 or MGNT603 or MGNT808

Corequisites

Co-badged status

Unit description

This unit begins with an examination of the characteristics of emerging financial markets. The unit then has two parts. The focus of the first part is on portfolio investment management. The focus of the second part is on direct investment in new projects. The geographic focus is in Asian countries.

## 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:

Learn about the characteristics of emerging financial markets: asset allocation, volatility and linkages in emerging capital markets.

Explore the menu of investment opportunities, such as portfolio investment, FDI, and investment in a project in emerging markets.

Analyse systematic risk and alternative CAPM for emerging financial markets.

Review financial liberalisation and contagious effects of financial crisis in emerging markets .

Work productively in a group to undertake a project analysis

## General Assessment Information

It is the responsibility of students to view their marks for each within session 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 marks (not including the final exam mark) will not be addressed.

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

A self-assessment template will be posted on ilearn in week three to provide students with feedback before the census date.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>In-Class Test</u>	25%	No	Week 7
<u>Case Study</u>	20%	No	Various
<u>Final Exam</u>	55%	No	During Examination Period

### In-Class Test

Due: **Week 7**

Weighting: **25%**

#### Task Description:

The test is designed to help you consolidate your understanding of core concepts through Multiple Choice questions. This test will cover topics from the first 6 weeks of lectures and the associated reading materials.

**Type of Collaboration:** Individual **Submission:** In class - you are expected to present yourself for the test in Lecture 7 at the enrolled time and place of your normal lecture. **Format:** Multiple Choice questions **Length:** 90-minutes **Inherent Task Requirements:** Refer to ilearn **Late Submission:** No extensions will be granted. Students who have not attended for the class test on due date 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:

- Learn about the characteristics of emerging financial markets: asset allocation, volatility

and linkages in emerging capital markets.

- Explore the menu of investment opportunities, such as portfolio investment, FDI, and investment in a project in emerging markets.
- Analyse systematic risk and alternative CAPM for emerging financial markets.
- Review financial liberalisation and contagious effects of financial crisis in emerging markets .

## Case Study

Due: **Various**

Weighting: **20%**

### Task Description:

Case study is a weekly group presentation exercise. This study provide students with an opportunity to systematically look at project financing or another topical issues in emerging markets by collecting data, analysing information, and report the findings.

A list of cases with a short description will be distributed to the class in the first week and students can select the one that they prefer (on the first come first serve basis).

50% of the marks is allocated to individual students' performance during their presentation before the class.

**Type of Collaboration:** Group **Submission:** Each student's group is expected to present a case before the class and submit a hard copy of their written report after their presentation. A soft copy of their report must also be uploaded on ilearn, immediately before or after their presentation. **Format:** Refer to ilearn **Length:** Refer to ilearn **Inherent Task Requirements:** Refer to ilearn **Late Submission:** 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 special consideration is made and approved. No submission will be accepted after solutions have been posted.

On successful completion you will be able to:

- Learn about the characteristics of emerging financial markets: asset allocation, volatility and linkages in emerging capital markets.
- Analyse systematic risk and alternative CAPM for emerging financial markets.
- Work productively in a group to undertake a project analysis

## Final Exam

Due: **During Examination Period**

Weighting: **55%**

### Task Description:

The exam will cover all of the topics in the syllabus, and will be a closed book 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.

**Type of Collaboration:** Individual **Submission:** During examination period **Format:** Refer to ilearn **Length** 2.5 hours **Inherent Task Requirements:** Refer to ilearn **Late Submission:** No extensions will be granted. Students who have not attended for the class test on due date 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:

- Learn about the characteristics of emerging financial markets: asset allocation, volatility and linkages in emerging capital markets.
- Explore the menu of investment opportunities, such as portfolio investment, FDI, and investment in a project in emerging markets.
- Analyse systematic risk and alternative CAPM for emerging financial markets.
- Review financial liberalisation and contagious effects of financial crisis in emerging markets .

## Delivery and Resources

### Classes

- Each week there will be a two hour lecture, and one hour group presentation by students.
- The timetable for classes can be found of the University web site at:

<http://www.timetables.mq.edu.au/>

### Required and Recommended Texts and/or Materials Prescribed

- Reference books include, The Spread of Financial Sophistication Through Emerging Markets Worldwide by John Kensinger, and Project Finance in Asia Pacific by Richard Tinsley.
- All other readings will be available on ilearn, or in the library.

### Technology Used and Required

- During the semester you need to access website of several emerging markets stock exchanges, and bond markets in order to do your Major Assignment. You may also need to access website of relevant corporations and financial institutions that are involved in project finance case study.
- Ability to work with softwares for time series analysis, and portfolio management are desirable requirements for doing your assignment and case study more professionally.
- A non-programmable calculator may be used in any examination in this unit.

### Unit Web Page

Course material is available on the learning management system (iLearn)

## Unit Schedule

Date	Week	Lecture Topic	Other Readings	Text Readings	Case Study
29th July	1	Introduction	Lecture Notes	Week 1 ilearn readings	Allocation in first week
5th Aug	2	Investing in Public Equities	Lecture Notes	Week 2 ilearn readings	Case Study
12th Aug	3	Investing in Private Equities	Lecture Notes	Week 3 ilearn readings	Case Study
19th Aug	4	Investing in Direct Debts and Bonds	Lecture Notes	Week 4 ilearn readings	Case Study
26th Aug	5	Measuring Return and Risk, Diversification	Lecture Notes	Week 5 ilearn readings	Case Study
2nd Sept	6	Asset Pricing Models in EMs	Lecture Notes	Week 6 ilearn readings	Case Study
9th Sept	7	<b>Class test</b>			
		<b>Mid session break</b>			
30th Sept	8	FDI	Lecture Notes	Week 8 ilearn readings	Case Study
7th Oct	9	Project Finance	Lecture Notes	Week 9 ilearn readings	Case Study
14th Oct	10	Liberalisation and Integration	Lecture Notes	Week 10 ilearn readings	Case Study
21st Oct	11	Financial Crisis	Lecture Notes	Week 11 ilearn readings	Case Study
28th Oct	12	Contagion & Systemic Risk	Lecture Notes	Week 12 ilearn readings	Case Study
4th Nov	13	Derivatives	Lecture Notes	Week 13 ilearn readings	Case Study

## 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](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://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](http://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Supplementary exams

Information regarding supplementary exams, including dates, is available at:

[http://www.businessandconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/special\\_consideration](http://www.businessandconomics.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](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

### 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

- Learn about the characteristics of emerging financial markets: asset allocation, volatility and linkages in emerging capital markets.
- Explore the menu of investment opportunities, such as portfolio investment, FDI, and investment in a project in emerging markets.
- Review financial liberalisation and contagious effects of financial crisis in emerging markets .
- Work productively in a group to undertake a project analysis

### 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 outcome**

- Learn about the characteristics of emerging financial markets: asset allocation, volatility and linkages in emerging capital markets.

## **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**

- Explore the menu of investment opportunities, such as portfolio investment, FDI, and investment in a project in emerging markets.
- Analyse systematic risk and alternative CAPM for emerging financial markets.
- Work productively in a group to undertake a project analysis