



# AFIN8018

## Investments

Session 1, Weekday attendance, North Ryde 2020

*Department of Applied Finance*

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## General Information

Unit convenor and teaching staff

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Credit points

10

Prerequisites

AFIN805 or AFIN8005

Corequisites

Co-badged status

Unit description

This unit introduces concepts of investment analysis and their practical application. With an international approach, the unit covers fundamentals in asset classes and financial trading, portfolio theory and practices, equilibrium in capital markets including modern asset pricing models and behavioural finance, fixed-income securities, and security analysis and selection.

## 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:

**ULO1:** Explore common investment vehicles.

**ULO2:** Illustrate the theory and empirical applications of modern portfolio theory and asset pricing models.

**ULO3:** Construct optimal portfolios applying the principles of modern portfolio theory.

**ULO4:** Analyze macroeconomic and industry situations as well as behavioural biases that impact on investment decisions.

**ULO5:** Explore, develop, and conduct analysis for research questions in Investment.

## Assessment Tasks

### Coronavirus (COVID-19) Update

Assessment details are no longer provided here as a result of changes due to the Coronavirus (COVID-19) pandemic.

Students should consult [iLearn](#) for revised unit information.

[Find out more about the Coronavirus \(COVID-19\) and potential impacts on staff and students](#)

## General Assessment Information

Feedback Prior to the Census Date: please use the online quiz assessment task and the weekly homework questions 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.

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

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.

### Late submissions and extensions

Tasks 10% or less – 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.

Tasks above 10% - 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.

## Delivery and Resources

### Coronavirus (COVID-19) Update

Any references to on-campus delivery below may no longer be relevant due to COVID-19.

Please check here for updated delivery information: [https://ask.mq.edu.au/account/pub/display/unit\\_status](https://ask.mq.edu.au/account/pub/display/unit_status)

- **Required Text:**

It is essential to have the unit textbook. The university bookshop has copies.

The textbook for the unit is Bodie, Z., Kane, A. and Marcus, A.J. (2014), Investments, 10th edition, McGraw-Hill (denoted BKM on the reading list). Textbook material will be supplemented by articles and handouts. Chapters from the textbook and specified articles should be read prior to attending the scheduled lecture on that topic.

- **Unit Web Page:**

Important handouts can be downloaded from the unit's iLearn site.

iLearn (<https://ilearn.mq.edu.au>) provides the main online learning support. It is essential that you log in regularly to keep abreast of unit-wide announcements and use the resources to supplement your learning. Lecture slides are available by the Friday before each lecture for you to download from iLearn. Solutions to homework problems are made available online after the problems are discussed in class.

- **Technology Used and Required:**

A laptop is preferred during the classes. Students will be taught using R software. R is free and open source. Students are required to use R to do individual assignment task.

- **Recommended readings:**

The optional additional textbook for the unit is Elton, E.J., Gruber M.J., Brown, S.J., Goetzmann, W.N. (2014), Modern Portfolio Theory and Investment Analysis, 9th Edition, Wiley.

Readings for R: R in Action (2015), Robert I. Kabacoff, 2nd Edition, Manning.

- **Delivery Format and Other Details:**

Students are required to enrol in one three-hour class per week and to attend the class in which they are enrolled. See details from the timetable.

Classes will typically consist of a two-hour lecture followed by a one-hour tutorial. Lectures are used to set the scene and show how the topic fits into the overall unit of study aims. You will be expected to have read the required reading before that week's class. Tutorials are essential for helping address any misunderstandings and to apply concepts to more difficult problems. Participation is strongly encouraged so students can check their understanding of concepts. Students should be prepared to present their homework solutions in the tutorials and/or to discuss the related conceptual issues.

Attendance at lectures and tutorials is a compulsory component of the Unit, and students are expected to attend all classes. If a student misses more than two classes then they could be given a written warning that non-attendance can lead to a Fail grade in the Unit. A class register will be taken to record students who are at a class. It is the student's responsibility to ensure that they record their attendance in the register. The attendance register cannot be amended after the class. Students are not permitted to register on behalf of other students - any such cases may be referred to the School.

- **Other Course Materials:**

Homework will be assigned at the end of lectures and these should be completed before coming to the following week's tutorial where students get to discuss their homework solutions.

## Unit Schedule

### Coronavirus (COVID-19) Update

The unit schedule/topics and any references to on-campus delivery below may no longer be relevant due to COVID-19. Please consult [iLearn](#) for latest details, and check here for updated delivery information: [https://ask.mq.edu.au/account/pub/display/unit\\_status](https://ask.mq.edu.au/account/pub/display/unit_status)

Academic Week	Topics	Readings
Week 1	Introduction	BKM Pt1 chapters 1 and 2
Week 2	Investment vehicles	BKM Pt1 chapters 3 and 4
Week 3	Risk preferences and asset allocation	BKM Pt2 chapters 5 and 6
Week 4	Portfolio optimization	BKM Pt2 chapters 7 and 8
Week 5	Asset pricing	BKM Pt3 chapters 9 and 10
Week 6	Market efficiency	BKM Pt3 chapters 11 and 12
Week 7	Empirical evidence on security returns	BKM Pt3 chapter 13
Week 8	No class - time available to work on case assignment task	
Week 9	Fixed income securities	BKM chapters 14 and 15
Week 10	Interest rate risk management	BKM chapter 16
Week 11	Industry analysis	BKM chapter 17
Week 12	Equity securities	BKM chapters 18 and 19
Week 13	Revision	

## 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.*)

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/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 help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

## 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.

## Changes since First Published

Date	Description
08/02/2020	Changed order of assessments