



# MMBA8036

## Investment Management

MGSM term 1, Intensive attendance, North Ryde 2020

*Department of Applied Finance*

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## General Information

Unit convenor and teaching staff

Angela Chow

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Credit points

10

Prerequisites

(MGSM835 or MMBA8035) and (MGSM840 or MMBA8040)

Corequisites

Co-badged status

Unit description

This unit develops a conceptual framework to apply modern investment theory. Students analyse the investment industry, the risk-return relation, asset allocation between risky and risk-free assets, how optimal portfolios are constructed and why they are constructed the way they are. The unit also provides insights in terms of models that explain the cross-section of stock returns, articulating and considering the market efficiency debate, differences between behavioural finance and rational expectations, bond portfolio management, and portfolio insurance techniques. The unit concludes by examining portfolio performance measurement as the final step in the investment process.

## 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:** Identify and evaluate conceptual frameworks and theories in managing investments.

**ULO2:** Develop financial literacy and apply knowledge to evaluate and assess investment portfolio performance.

**ULO3:** Assess and synthesise the differences between behavioural finance and rational expectations in a global investment environment.

## 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

**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 sent to your teacher.

### Extensions:

No extensions will be granted to your assessments. 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.

**Marks in gradebook:** It is the responsibility of students to view their marks for each within-session-assessment on iLearn within 20 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.

## 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)

### Recommended Text

An old edition of this book will suffice. The latest edition is:

Bodie, Z., Kane, A. & Marcus, A. (2017) Investments, 11th edition, McGraw Hill, ISBN: 9781259277177

For information on textbook prices and online ordering, please refer to the Co-Op Bookshop

webpage at <http://www.coop.com.au>

## Supplementary References and Additional Learning Materials

There are numerous investment texts and professional investment periodicals. You are encouraged to read widely. Supplemental readings and periodical references, respectively, include:

- Bogle, J. *The Little Book of Common Sense Investing*, John Wiley & Sons, Inc., Hoboken, N.J., 2007.
- Brailsford, T., Heaney, R., and Bilson, C. *Investments: Concepts and Applications*, 2nd ed., South Melbourne: Thomson, 2004.
- Graham, B. with Zweig, J. *The Intelligent Investor*, Revised Ed., HarperCollins Publishers Inc., New York, 2003.
- Greenwald, B., Kahn, J., Sonkin, P., and van Biema, M. *Value Investing: From Graham to Buffett and Beyond*, Hoboken, NJ: John Wiley & Sons, Inc.; 2001.
- Jones, C., Shamsuddin, A; and Naumann, K.; *Investments: Analysis and Management*, 2nd ed., Milton, Qld: John Wiley & Sons Australia, Ltd, 2007.
- Viney, C. *McGrath's Financial Institutions, Instruments and Markets*, 4th ed., Sydney: McGraw-Hill, 2003.

*Professional Investor, Personal Investor, The Journal of Investing, Financial Services Review, Money Management, JASSA (The Journal of the Securities Institute of Australia), The Economist, The Australian Financial Review, Business Review Weekly.*

## 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)

### Class Dates:

|          |                  |           |
|----------|------------------|-----------|
| Friday   | 14 February 2020 | 9am - 5pm |
| Saturday | 15 February 2020 | 9am - 5pm |
| Sunday   | 16 February 2020 | 9am - 5pm |
| Saturday | 29 February 2020 | 9am - 5pm |
| Sunday   | 1 March 2020     | 9am - 5pm |

Students are required to attend all classes.

The unit will be presented as follows:

| Session | Topic   | Required Textbook Reading |
|---------|---|---------------------------|
| 1       | The Investment Environment  | Chapters 1-5              |
| 2       | Investment Return and Risk  | Chapters 6-7              |
| 3       | Individuals and Investing   | Chapters 9-10             |
| 4       | Managed Funds Basics; Measuring Managed Funds Performance; Critiquing Managed Funds           | Chapters 4 & 24           |
| 5       | Investing in Shares   | Chapters 17 & 25          |
| 6       | Investing Principles  | Chapters 18-19            |
| 7       | Bond Investments; Bond Valuation; Investment Strategies                                       | Chapters 14-16            |
| 8       | Market Efficiency and Behavioural Finance   | Chapters 11-12            |
| 9       | Other Investments: Preference Shares; Convertibles; Derivatives; Hedge Funds; Other Tangibles | Chapters 21, 22 & 26      |
| 10      | Discussion Session on Project; Integration & Review   |                           |

## 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 from Previous Offering

The assignment is now an individual rather than group project.

## Changes since First Published

| Date       | Description |
|------------|-------------|
| 05/02/2020 | No changes  |