



# AFIN8018

## Investments

Session 2, Special circumstance 2020

*Department of Applied Finance*

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### 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.

### Notice

As part of [Phase 3 of our return to campus plan](#), most units will now run tutorials, seminars and other small group learning activities on campus for the second half-year, while keeping an online version available for those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face and online activities for your unit, please go to [timetable viewer](#). To check detailed information on unit assessments visit your unit's iLearn space or consult your unit convenor.

## General Information

Unit convenor and teaching staff Unit Convenor Simon Wong <a href="mailto:simon.wong@mq.edu.au">simon.wong@mq.edu.au</a>
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.

## General Assessment Information

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 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.

### 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.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Online Quizzes</u>	20%	No	Weekly
<u>Individual Research Report</u>	30%	No	Refer to iLearn
<u>Final Examination</u>	50%	No	University Examination Period

### Online Quizzes

Assessment Type <sup>1</sup>: Quiz/Test

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Weekly**

Weighting: **20%**

Eleven online quizzes will be available and each contains questions from the weekly material.

On successful completion you will be able to:

- Explore common investment vehicles.
- Illustrate the theory and empirical applications of modern portfolio theory and asset pricing models.
- Construct optimal portfolios applying the principles of modern portfolio theory.
- Analyze macroeconomic and industry situations as well as behavioural biases that impact on investment decisions.

## Individual Research Report

Assessment Type <sup>1</sup>: Report

Indicative Time on Task <sup>2</sup>: 22 hours

Due: **Refer to iLearn**

Weighting: **30%**

A written report based on quantitative and qualitative analysis research conducted.

On successful completion you will be able to:

- Explore common investment vehicles.
- Illustrate the theory and empirical applications of modern portfolio theory and asset pricing models.
- Construct optimal portfolios applying the principles of modern portfolio theory.
- Analyze macroeconomic and industry situations as well as behavioural biases that impact on investment decisions.
- Explore, develop, and conduct analysis for research questions in Investment.

## Final Examination

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **University Examination Period**

Weighting: **50%**

A two hour online open book exam will be held during the University Examination Period.

On successful completion you will be able to:

- Explore common investment vehicles.
- Illustrate the theory and empirical applications of modern portfolio theory and asset pricing models.
- Construct optimal portfolios applying the principles of modern portfolio theory.
- Analyze macroeconomic and industry situations as well as behavioural biases that impact on investment decisions.

<sup>1</sup> If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

<sup>2</sup> Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

## Delivery and Resources

- **Required Text:**

It is essential to have the unit textbook.

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.

- **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 enroll 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 plus 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.

## 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](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)

## 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
24/07/2020	Use of R software is removed from the unit guide.