



AFIN2050

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

Sean Foley

sean.foley@mq.edu.au

Credit points

10

Prerequisites

50cp at 1000 level or above including ((AFIN100 or AFIN102 or AFIN1002 or ACST152 or ACST1052) and (ACCG100 or ACCG1000 or ACCG106) and (STAT150 or STAT1250 or STAT170 or STAT1170 or STAT171 or STAT1371)) or (ACST252 or ACST2052)

Corequisites

Co-badged status

Unit description

This unit covers concepts in investment management including asset pricing, fixed income, industry analysis and derivatives contracts. Students will acquire the analytical tools and financial theory necessary for making sound investment decisions and understanding the methodologies by which financial securities are valued. Students learn the principles of modern portfolio theories and apply them to empirical asset pricing models.

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: Illustrate the theory and empirical applications of asset pricing models.

ULO2: Analyse bond prices and yields.

ULO3: Explain macroeconomic and industry analysis, equity valuation and financial statement analysis.

ULO4: Formulate derivatives strategies to modify portfolio risk-return attributes.

ULO5: Work productively in a group to investigate a finance scenario or problem and communicate the findings and/or recommendations professionally.

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 Quiz</u> | 0% | No | Week 4 |
| <u>Online Mid Session Test</u> | 25% | No | Week 7 |
| <u>Report</u> | 20% | No | Week 9 |
| <u>Final Examination</u> | 55% | No | During University Examination Period |

Online Quiz

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 0.5 hours

Due: **Week 4**

Weighting: **0%**

The online quiz will consist of 5 to 10 questions and will be available on iLearn. Please use the quiz result as an indicator of whether you are progressing satisfactorily in the unit.

On successful completion you will be able to:

- Illustrate the theory and empirical applications of asset pricing models.

Online Mid Session Test

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 12 hours

Due: **Week 7**

Weighting: **25%**

An open book mid session test of 90 minutes will be held to give students practice on a summative task and to provide feedback on their progress midway through the session.

On successful completion you will be able to:

- Illustrate the theory and empirical applications of asset pricing models.
- Analyse bond prices and yields.
- Formulate derivatives strategies to modify portfolio risk-return attributes.

Report

Assessment Type ¹: Report

Indicative Time on Task ²: 20 hours

Due: **Week 9**

Weighting: **20%**

Students will work collaboratively, in groups, to conduct an analysis of an investment scenario or problem (worth 10%). Students will then be required to write an individual report of 500 to 1000 words (worth 10%).

On successful completion you will be able to:

- Illustrate the theory and empirical applications of asset pricing models.
- Analyse bond prices and yields.
- Explain macroeconomic and industry analysis, equity valuation and financial statement analysis.
- Formulate derivatives strategies to modify portfolio risk-return attributes.
- Work productively in a group to investigate a finance scenario or problem and communicate the findings and/or recommendations professionally.

Final Examination

Assessment Type ¹: Examination

Indicative Time on Task ²: 20 hours

Due: **During University Examination Period**

Weighting: **55%**

A 2.5 hour open book online exam will be held during the University Examination period.

On successful completion you will be able to:

- Illustrate the theory and empirical applications of asset pricing models.
- Analyse bond prices and yields.
- Explain macroeconomic and industry analysis, equity valuation and financial statement analysis.
- Formulate derivatives strategies to modify portfolio risk-return attributes.

¹ 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.

² 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

Learning and Teaching Activities

The content for each week will comprise of a live zoom lecture (which will also be recorded) and a set of tutorial questions (Problem Sets).

Lectures

There will be a live zoom lecture at the scheduled time shown in the timetable. A recording of this lecture will also be uploaded each week. Lecture notes will be available on iLearn.

Tutorials

Students will need to register to either an on-campus tutorial or an online (Zoom) tutorial. Tutorials are considered compulsory but no marks are allocated. Tutorials will be available for most, but not all weeks of the semester. In weeks where there aren't any live (on-campus or online) tutorials, a recording will be provided to cover the relevant material.

The tutorial schedule will be made available on iLearn.

Tutorial enrolment or change of tutorial can be made through *eStudent* in the first two weeks of

the semester. No tutorial changes are allowed after Week 2. Students should attend their allocated tutorial, but exceptions may occur on a one-off basis. That is, where circumstances prevent you from attending your own tutorial in a given week, you may attend an alternative tutorial if room available.

Students are expected to complete the 'Tutorial Questions' as a self-directed study activity before attending a tutorial. Additional learning support will be available in tutor consultation times.

See timetable for classes on the University web site at: <http://www.timetables.mq.edu.au/>

Unit Schedule

| Week | Week Commencing | Lecture Topic |
|------|-----------------|--|
| 1 | 27th July | Introduction |
| 2 | 3rd August | Investment vehicles |
| 3 | 10th August | Risk and return |
| 4 | 17th August | Efficient diversification - Online Quiz |
| 5 | 24th August | Asset pricing |
| 6 | 31st August | Market efficiency |
| 7 | 7th September | No Lecture - Online Mid Session Test |
| 8 | 28th September | Fixed income securities |
| 9 | 5th October | Industry analysis - Report due |
| 10 | 12th October | Equity securities |
| 11 | 19th October | Futures contracts |
| 12 | 26th October | Options contracts |
| 13 | 2nd November | 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 or if you are a Global MBA student contact 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) 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

If you are a Global MBA student contact 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/.

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 |
|------------|---|
| 22/07/2020 | Additional information on Learning and Teaching Activities. |