AFIN8039

Portfolio Management

Session 1, Special circumstances 2021

Department of Applied Finance

Contents

Disclaimer

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Notice

As part of Phase 3 of our return to campus plan, most units will now run tutorials, seminars and other small group activities on campus, and most will keep an online version available to those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face 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 simon.wong@mq.edu.au
Credit points 10
Prerequisites (ACST603 or ACST6003 or AFIN6012 or AFIN858) or (10cp in ACCG or ACST or AFIN or BUS or ECON or MKTG or MGMT units at 6000 level)
Corequisites
Co-badged status
Unit description This unit covers the principles, theory and techniques of portfolio management. Study of this unit provides a basis for the effective management of investment portfolios, as well as an understanding of the limitations of techniques commonly applied to problems of portfolio construction and performance evaluation.

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: Explain the behavioural and statistical assumptions underlying the tools and techniques of portfolio management and have developed an awareness of their rationale and limitations.

ULO2: Recognise the economic principles of arbitrage and market efficiency.

ULO3: Apply key factor pricing models to practical problems in portfolio construction and performance evaluation.

ULO4: Generalise the sources of modelled risk and approaches to managing such exposures.

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
Online Quiz	5%	No	Week 4
Mid Session Test	20%	No	Week 7
Individual assignment	25%	No	Week 10
Final Examination	50%	No	University exam period

Online Quiz

Assessment Type [1]: Quiz/Test
Indicative Time on Task [2]: 1 hours
Due: **Week 4**
Weighting: **5%**

The online quiz will consist of 5 to 10 multiple choice and/or short answer 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:
- Explain the behavioural and statistical assumptions underlying the tools and techniques of portfolio management and have developed an awareness of their rationale and

limitations.

Mid Session Test

Assessment Type [1]: Quiz/Test
Indicative Time on Task [2]: 15 hours
Due: **Week 7**
Weighting: **20%**

A 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:

- Explain the behavioural and statistical assumptions underlying the tools and techniques of portfolio management and have developed an awareness of their rationale and limitations.
- Recognise the economic principles of arbitrage and market efficiency.
- Apply key factor pricing models to practical problems in portfolio construction and performance evaluation.
- Generalise the sources of modelled risk and approaches to managing such exposures.

Individual assignment

Assessment Type [1]: Project
Indicative Time on Task [2]: 20 hours
Due: **Week 10**
Weighting: **25%**

Student will conduct quantitative and qualitative analysis on a finance scenario / problem and produce a report on the findings.

On successful completion you will be able to:

- Explain the behavioural and statistical assumptions underlying the tools and techniques of portfolio management and have developed an awareness of their rationale and limitations.
- Recognise the economic principles of arbitrage and market efficiency.
- Apply key factor pricing models to practical problems in portfolio construction and performance evaluation.
- Generalise the sources of modelled risk and approaches to managing such exposures.

Final Examination

Assessment Type [1]: Examination

Indicative Time on Task [2]: 20 hours
Due: **University exam period**
Weighting: **50%**

A closed book exam of two hours will be held during the University Examination Period.

On successful completion you will be able to:

- Explain the behavioural and statistical assumptions underlying the tools and techniques of portfolio management and have developed an awareness of their rationale and limitations.
- Recognise the economic principles of arbitrage and market efficiency.
- Apply key factor pricing models to practical problems in portfolio construction and performance evaluation.
- Generalise the sources of modelled risk and approaches to managing such exposures.

[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

There are no required textbooks that must be bought. But the following textbooks are recommended:

- Investments, Zvi Bodie, Alex Kean, Alan J. Marcus, McGraw-Hill Education, Latest Edition
- Investment Analysis and Portfolio Management, Reilly and Brown, South-Western Cengage Learning
- Running Money, Professional Portfolio Management, Stewart, Piros and Heisler, McGraw-Hill Irwin
- Modern Portfolio Theory and Investment Analysis, Elton, Gruber, Brown and Goetzmann, John Wiley and Sons, Inc.
- Modern Investment Theory, Haugen, Prentice Hall
- Investment Science, David Luenberger, Oxford University Press

These books are available for purchase from the online bookshop Booktopia, and copies will be

available in the closed reserve section of the Macquarie Library.

Unit Schedule

Please refer to iLearn

Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (https://policies.mq.edu.au). 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

Students seeking more policy resources can visit Student Policies (https://students.mq.edu.au/support/study/policies). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

To find other policies relating to Teaching and Learning, visit Policy Central (https://policies.mq.edu.au) and use the search tool.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/admin/other-resources/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
08/02/2021	Unit is co-taught with AFIN7039