



AFIN8018

Investments

Session 1, In person-scheduled-weekday, North Ryde 2023

Department of Applied Finance

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General Information

Unit convenor and teaching staff Fan Yu fan.yu@mq.edu.au
Credit points 10
Prerequisites Admission to MFin or ((Admission to MCom in Finance or MBkgFin) and (30cp at 6000 level or above))
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.

General Assessment Information

Late Assessment Submission Penalty (written assessments)

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of

the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of '0' will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55pm. A 1-hour grace period is provided to students who experience a technical concern.

For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to submit an application for Special Consideration.

Assessment Tasks

Name	Weighting	Hurdle	Due
Online Quizzes	20%	No	Weekly
Final Examination	50%	No	University Examination Period
Report	30%	No	Refer to iLearn

Online Quizzes

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 20 hours

Due: **Weekly**

Weighting: **20%**

There will be eleven online quizzes each containing 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.

Final Examination

Assessment Type ¹: Examination

Indicative Time on Task ²: 20 hours

Due: **University Examination Period**

Weighting: **50%**

A two hour 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.

Report

Assessment Type ¹: Report

Indicative Time on Task ²: 22 hours

Due: **Refer to iLearn**

Weighting: **30%**

A written report based on quantitative and qualitative analysis 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.

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

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 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 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 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.

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 \(https://policies.mq.edu.au\)](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](#)

- [Assessment Procedure](#)
- [Complaints Resolution Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#)

Students seeking more policy resources can visit [Student Policies \(https://students.mq.edu.au/support/study/policies\)](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 \(https://policies.mq.edu.au\)](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

Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

The Writing Centre

[The Writing Centre](#) provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the 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

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault
- [Social support including information about finances, tenancy and legal issues](#)
- [Student Advocacy](#) provides independent advice on MQ policies, procedures, and processes

Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

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.