



# AFIN8039

## Portfolio Management

Session 1, In person-scheduled-weekday, North Ryde 2024

*Department of Applied Finance*

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## General Information

Unit convenor and teaching staff

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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

AFIN7039

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

The following late penalty clause for written assignments should be inserted in this section.

### 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 11.55 pm. 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 apply for Special Consideration.*

### Mid Session Test

*Assessment Type 1: Quiz/Test*

*Indicative Time on Task: 15 hours*

*Due: Week 8*

*Weighting: 20%*

An in-class mid-session test lasting 90 minutes will be held in week 8 to give students practice with a summative task and to provide feedback on their progress midway through the session.

### Individual Assignment

*Assessment Type 1: Project*

*Indicative Time on Task: 20 hours*

*Due: Week 10*

*Weighting: 30%*

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

### Final Examination

*Assessment Type 1: Examination*

*Indicative Time on Task: 20 hours*

*Due: University Examination Period*

*Weighting: 50%*

A two-hour exam will be held during the University Examination Period.

1 Assessment Type 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

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Mid-Session Test</u>	20%	No	Week 8
<u>Assignment</u>	30%	No	Week 10
<u>Final Examination</u>	50%	No	University Examination Period

### Mid-Session Test

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

Indicative Time on Task <sup>2</sup>: 15 hours

Due: **Week 8**

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.

### Assignment

Assessment Type <sup>1</sup>: Quantitative analysis task

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

Due: **Week 10**

Weighting: **30%**

The assignment will involve the analysis of a financial scenario or problem.

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 <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 30 hours

Due: **University Examination Period**

Weighting: **50%**

An 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.

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<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

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.

## 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](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)

## 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/](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.

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Unit information based on version 2024.02 of the [Handbook](#)