



AFIN3052

Applied Portfolio Management

Session 1, In person-scheduled-weekday, North Ryde 2025

Department of Applied Finance

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General Information

Unit convenor and teaching staff

Convenor, Lecturer

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Refer to iLearn

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Credit points

10

Prerequisites

AFIN2050 and (ACST2001 or ACST2002 or AFIN2070)

Corequisites

Co-badged status

Unit description

This unit provides students with the analytical skills and techniques required to effectively construct diversified portfolios of securities. The unit prepares students for asset allocation management and performance assessment of diversified portfolios. Issues relating to the management of portfolios containing options, futures and other derivatives will also be examined.

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: Examine the investment decision making processes from the perspective of the portfolio manager.

ULO2: Define and critique various approaches to asset allocation.

ULO3: Compare and contrast the alternative asset allocation tools to construct portfolios

and its role in industry practice.

ULO4: Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment.

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
<u>Professional practice: Quantitative market making</u>	20%	No	Week 6
<u>Professional practice: In-depth analysis</u>	30%	No	Week 10
<u>Formal and observed learning: Exam</u>	50%	No	Exam Period

Professional practice: Quantitative market making

Assessment Type ¹: Case study/analysis

Indicative Time on Task ²: 15 hours

Due: **Week 6**

Weighting: **20%**

The purpose of this assessment is for you to develop expertise in quantitative market making. You will complete an individual finance simulation activity and generate insights from the scenario. **Skills in focus:** - Analytical skills - Problem solving - Communication skills - Work readiness **Deliverable:** Presentation Individual assessment

On successful completion you will be able to:

- Examine the investment decision making processes from the perspective of the portfolio

manager.

- Define and critique various approaches to asset allocation.
- Compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.
- Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment.

Professional practice: In-depth analysis

Assessment Type ¹: Case study/analysis

Indicative Time on Task ²: 20 hours

Due: **Week 10**

Weighting: **30%**

The purpose of this assessment is for students to practice delivering in-depth analyses that inform Portfolio Management. You will work in teams to conduct background research and both quantitative and qualitative analysis. **Skills in focus:** - Research skills - Analytical skills - Communication skills - Collaboration skills **Deliverable:** Written submissions Group assessment

On successful completion you will be able to:

- Examine the investment decision making processes from the perspective of the portfolio manager.
- Define and critique various approaches to asset allocation.
- Compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.
- Source and analyse real financial data as applied to portfolio management and work in groups and individually to communicate the findings clearly and effectively in a professional environment.

Formal and observed learning: Exam

Assessment Type ¹: Examination

Indicative Time on Task ²: 35 hours

Due: **Exam Period**

Weighting: **50%**

The purpose of this assessment is for you to demonstrate the expertise you have gained in this

unit. You will participate in a 2-hour exam held during the University Examination period. Important information about the exam will be made available on the unit iLearn page. You should also review the [MQ Exams website](#) for general tips. **Deliverable:** Formal exam Individual assessment

On successful completion you will be able to:

- Examine the investment decision making processes from the perspective of the portfolio manager.
- Define and critique various approaches to asset allocation.
- Compare and contrast the alternative asset allocation tools to construct portfolios and its role in industry practice.

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 lecture recording and a set of tutorial questions (Problem Sets).

Lectures

A lecture recording will be uploaded each week. Lecture slides will be available on iLearn.

Tutorials

Students will need to register for a tutorial. Tutorials are considered compulsory but no marks are allocated. Tutorials will be available for most, but not all weeks of the session. 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 session. 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.

Timetable for classes can be found on the University web site at: <https://timetables.mq.edu.au>

Textbooks

Students are strongly recommended to purchase the following textbook:

- '*Efficiently Inefficient: How Smart Money Invests & Market Prices are Determined*', Lasse Heje Pedersen, Princeton University Press

The above book is available for purchase online from Amazon.com.au as an ebook for \$32.99.

Unit Schedule

Week	Textbook chapters	Topic
1	1	Overview
2	2	Active Investment I: Performance Measures
3	3	Active Investment II: Finding and Backtesting Strategies
4	4	Active Investment III: Portfolio Construction; Risk Management
5	5	Active Investment IV: Trading and Financing Strategy
6	6-8	Equity Strategies I: Discretionary Equity; Short Bias
7	9	Equity Strategies II: Quant Equity Investing
		Mid-Session Break
8	10-11	Macro Strategies I: Global Macro Investing
9	12	Macro Strategies II: Managed Futures
10	13, 15	Arbitrage Strategies I: Convertible Bond Arbitrage
11	14	Arbitrage Strategies II: Fixed Income Arbitrage
12	16	Arbitrage Strategies III: Event Driven Investment
13		Revision

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 connect.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/>

Academic Success

[Academic Success](#) 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 the [Service Connect Portal](#), 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.

Unit information based on version 2025.05 of the [Handbook](#)