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refer to the ANU Campus Map (map
GH32, reference G3)

Course Outline

FINM7008 Applied Investments

Semester 1, 2012

*STUDENTS: Course details change from semester to semester. **Please check** that you are reading the Course Outline for the correct semester.*

Course Description

This course covers a range of issues in investment analysis. Students will become familiar with a number of assets and learn analytical tools for evaluating them.

Graduate Studies Select Classification

Specialist

Contacts

Role	Office address	Email	Consultation Times
Course Convenor and Lecturer (Course Authority) <i>Jacquelyn Humphrey</i>	Room 3.55, College of Business and Economics Building 26C	jacquelyn.humphrey@anu.edu.au	<i>Monday 1:30-3:30</i>
Tutor/s <i>TBA</i>			
School Student Administrators <i>Tracy Skinner</i>	Room 4.48, College of Business and Economics Building 26C	tracy.skinner@anu.edu.au	

Communication

Email

If necessary, the lecturers and tutors for this course will contact students on their official ANU student email address. Information about your enrolment and fees from the Registrar and Student Services office will also be sent to this email address.

Announcements

Students are expected to check the Wattle site for announcements about this course, e.g. changes to timetables or notifications of cancellations. Notifications of emergency cancellations of lectures or tutorials will be posted on the door of the relevant room.

Course URLs

More information about this course may be found on:

- [Study @ ANU](#),
- the [College of Business and Economics website](#), and
- [Wattle](#), the University's online learning environment. Log on to Wattle using your student number and your ISIS password.
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Course Information

Learning Outcomes

Upon successful completion of the requirements for this course, students will be able to:

- Communicate details of Australian and international asset markets
- Understand and apply asset pricing models
- Analyse and communicate the risks and returns of different assets
- Understand a number of investment assets' characteristics and uses
- Analyse and communicate factors which will impact on investment asset performance

Workload

Students taking this course are expected to commit at least 10 hours a week to completing the work. This will include:


- *lectures*
- *tutorials*
- *private study*
- *tutorial preparation*
- *online quizzes*
- *group work*

Attendance Requirements

Students are expected to attend one tutorial and one lecture each week.

Tutorial Registration

Enrolment in tutorials will be completed online using the Electronic Teaching Assistant (ETA). To enrol, follow these instructions:

1. Go to <http://eta.fec.anu.edu.au>.
2. You will see the Student Login page. To log into the system, enter your University ID (your student number) and password (your ISIS password) in the appropriate fields and hit the **Login** button.
3. Read any news items or announcements.
4. Select "Sign Up!" from the left-hand navigation bar.
5. Select your courses from the list. To select multiple courses, hold down the control key. On PCs, this is the **Ctrl** key; on Macs, it is the  key. Hold this key down while selecting courses with the mouse. Once courses are selected, hit the **SUBMIT** button.
6. A confirmation of class enrolments will be displayed. In addition, an email confirmation of class enrolments will be sent to your student account.
7. For security purposes, please ensure that you click the **LOGOUT** link on the confirmation page, or close the browser window when you have finished your selections.
8. If you experience any difficulties, please contact the School Office (see page 1 for contact details).

Study Schedule

Readings are taken from Bodie, Kane and Marcus *Investments*, ninth edition (BKM). Students are also expected to be familiar with Standard 3 of the CFA's standards of practice handbook – a link is available on Wattle. From time to time I will put up additional reading and other materials on Wattle – please make sure you check Wattle regularly. I will also post tutorial questions on Wattle each week and students are expected to attempt these questions **before** their tutorial.

Week	Week beginning	Topic	Readings
1	20 Feb 2012	The investment process I	BKM: Chapters 3 and 4
2	27 Feb 2012	The investment process II	BKM: Chapter 28 + CFA material
3	5 Mar 2012	Risk, return and historical data	BKM: Chapter 5
4	12 Mar 2012	Preferences and risky assets	BKM: Chapter 6
5	19 Mar 2012	Building portfolios	BKM: Chapters 7 and 25
6	26 Mar 2012	Index models	BKM: Chapters 8 and 25
7	2 Apr 2012	Capital Asset Pricing Model	BKM: Chapters 9, 13 and 25
Mid-semester break – no classes			
8	23 Apr 2012	Arbitrage pricing and multifactor models	BKM: Chapters 10, 13 and 25
9	30 Apr 2012	Efficient markets, technical analysis and behavioural finance	BKM: Chapters 11-13
10	7 May 2012	Bond pricing, yields and the term structure of interest rates	BKM: Chapters 14-15
11	14 May 2012	Managing bond portfolios	BKM: Chapter 16
12	21 May 2012	Portfolio management	BKM: Chapters 24 and 26
13	28 May 2012	Review	

Assessment

Proposed Assessment Schedule

Details about assessment may change during the first two weeks of semester. Please ensure that you check with your lecturer or tutor about any changes. Changes to the assessment schedule will be posted to the Wattle site. **All assessment is compulsory.**

Assessment item	Description and detail of assignment	Due Date	Weighting (%)
Quiz 1 – access through WATTLE	Covering weeks 1 and 2	Between 5 March and 11 March	2%
Quiz 2 – access through WATTLE	Covering weeks 3 and 4	Between 19 March and 25 March	2%
Quiz 3 – access through WATTLE	Covering weeks 5 to 7	Between 23 April and 29 April	2%
Quiz 4 – access through WATTLE	Covering weeks 8 to 10	Between 14 May and 20 May	2%
Quiz 5 – access through WATTLE	Covering weeks 11 and 12	Between 28 May and 3 June	2%
Mid-semester examination	Covering weeks 1 to 4	TBA	20%
Group assignment	Portfolio formation and asset pricing	7 May	15%
Final examination	Covering entire course	TBA	55%

Learning Outcomes-Assessment

How well have you achieved the learning outcomes for this course? Your lecturer makes this judgement based on your assignments and examination papers. This table illustrates how each assessment item provides evidence about your achievements against each learning outcome.

Course Learning Outcomes On satisfying the requirements for this course, students will have the knowledge and skills to:	On-line Quizzes	Mid-semester exam	Group assignment	Final exam
<ul style="list-style-type: none"> Communicate details of Australian and international asset markets. 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Understand and apply asset pricing models 	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Analyse and communicate the risks and returns of different assets 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Understand a number of investment assets' characteristics and uses 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Analyse and communicate factors which will impact on investment asset performance 	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

Assignment Details

Five online quizzes (access through WATTLE)

Due Dates	See above
Value or Weighting (%)	10%
Purpose	Have students apply, analyse and evaluate content from the entire course
Marking Criteria	Accuracy and depth of analysis
Submission / Presentation Details	See Wattle for instruction

Mid-semester exam

Due Date	TBA
Value or Weighting (%)	20%
Purpose	Have students apply, analyse and evaluate content from weeks 1 to 4
Marking Criteria	Accuracy and depth of analysis
Submission / Presentation Details	See Wattle for mid-semester exam specifics

Group assignment

Due Date	Monday 7 May
Value or Weighting (%)	15%
Instructions	Students to work in groups
Purpose	Have students apply, analyse and evaluate content on asset pricing, portfolio formation and measurement
Marking Criteria	Accuracy, depth of analysis and quality of writing
Submission / Presentation Details	See Wattle for assignment specifics

Final exam

Due Date	TBA
Value or Weighting (%)	55%
Purpose	Have students apply, analyse and evaluate content from the entire course
Marking Criteria	Accuracy and depth of analysis
Submission / Presentation Details	See Wattle for exam specifics

Return of Assignments

Assignments will be returned in tutorials

Scaling

Your final mark for the course will be based on the **raw** marks allocated for each assignment or examination. However, your final mark may not be the same number as produced by that formula, as marks may be **scaled**. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

Extensions

Extensions will not be permitted.

Penalties

Late submission will incur a penalty.

Texts and Other Reading

Prescribed Text

Bodie, Z. Kane, A., and Marcus, A.J. (2011) *Investments*, 9th edition

CFA Code of Ethics and Standards of Professional Conduct – link available on Wattle

CFA Standards of Practice Handbook – link available on Wattle

Technology, Software, Equipment

Students are expected to be familiar with Microsoft Excel, Word and a statistical package.

Course-related Matters

Requisites

Students **must** have completed FINM 7006, Foundations of Finance, and STAT 7055, Financial Statements and Reporting.

Students may take STAT7055, Financial Statistics, as a co-requisite.

General Information for all Students

Please see Wattle for other important information relating to this course.