



The University of Southern Queensland

Course Specification

Description: Investment Management Strategies

Subject	Cat-Nbr	Class	Term	Mode	Units	Campus
FIN	8103	24340	2, 2003	EXT	1.00	TWMBA

Academic Group:	FOBUS
Academic Org:	FOB009
HECS Band:	2
ASCED Code:	081105

STAFFING

Examiner: William Roome

Moderator: Rex Zeeman

OTHER-REQUISITES

Recommended: FIN8102

RATIONALE

Numerous private and public sector institutions hold both financial and real assets in their investment portfolio. Management's choice of portfolio strategy can affect the value and risk of the portfolio. Rapidly changing domestic and international financial and economic systems, financial innovation and developments in quantitative techniques have all increased attention to the need for a strategic approach to investment management. This course provides students with the theoretical and practical tools needed for the management of investment portfolios.

SYNOPSIS

Improved information technology, developments in quantitative techniques and financial innovation in conjunction with the deregulation of financial markets have all contributed to the need for management to apply a strategic approach to investment management. This course introduces students to theoretical and applied techniques used in the areas of security valuation, portfolio selection, asset allocation and portfolio evaluation. Examples will involve portfolios comprising equity, debt, derivative and foreign assets.

OBJECTIVES

On successful completion of this course students will be able to:

- identify key components to the process of strategic investment management

- apply and interpret security valuation techniques to equity, debt, derivatives and foreign instruments;
- evaluate the applicability of the efficient market hypothesis to security markets and investment portfolios;
- analyse and apply theoretical and practical aspects of portfolio selection and asset allocation;
- evaluate the performance of investments and investment strategies;
- construct and manage a portfolio of securities.

TOPICS

Description	Weighting (%)
1. Security Valuation	33.40
1.1. investment environment	
1.2. return and risk	
1.3. efficient diversification	
1.4. asset pricing models	
1.5. efficient market hypothesis	
1.6. fixed income securities	
1.7. security analysis and equity valuation	
2. Derivative Securities	33.30
2.1. options and futures	
3. Active Investment Management	33.30
3.1. portfolio performance evaluation	
3.2. active portfolio management	
3.3. international diversification	

TEXT and MATERIALS required to be PURCHASED or ACCESSED:

Books can be ordered by fax or telephone. For costs and further details use the 'Book Search' facility at <http://bookshop.usq.edu.au> by entering the author or title of the text.

Bodie, Z, Kane, A & Marcus, AJ 2001, *Essentials of investments*, 4th edition, McGraw-Hill/Irwin, Boston, Massachusetts.

(Student solutions manual to accompany this text. ISBN 8888884599 - Package: text & student solution manual.)

REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

Bodie, Z, Kane, A & Marcus, AJ 2002, *Investments*, 5th edition, McGraw-Hill/Irwin, Boston, Massachusetts.

Elton, E, Gruber, M, Brown, S & Goetzmann, W 2002, *Modern portfolio theory and investment analysis*, 6th edition, John Wiley & Sons, New York.

Jones, C 2002, *Investments: analysis and management*, 8th edition, John Wiley & Sons, New York.

Levy, H 1999, *Introduction to investments*, 2nd edition, South-Western College, Cincinnati, Ohio.

Mayo, H 2003, *Investments: an introduction*, 7th edition, South-Western College, Cincinnati, Ohio.

Radcliffe, R 1997, *Investment: concepts, analysis, strategy*, 5th edition, Addison Wesley, Boston, Massachusetts.

Reilly, F & Brown, KG 2003, *Investment analysis and portfolio management*, 7th edition, South-Western College, Cincinnati, Ohio.

Strong, RA 2003, *Portfolio construction, management and protection*, 3rd edition, South-Western College, Cincinnati, Ohio.

STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessment	40
Directed Study	75
Private Study	50

ASSESSMENT DETAILS

Description	Marks Out of	Wtg(%)	Required	Due Date
ASSIGNMENT 1	20.00	20.00	Y	29 Aug 2003
ASSIGNMENT 2	20.00	20.00	Y	06 Oct 2003
PT A EXAM (MULTIPLE CHOICE)	30.00	18.00	Y	END S2 (see note)
PT B & C EXAM (THEORY&PROBLEM)	70.00	42.00	Y	END S2

NOTES:

The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date for Exam (Parts A and B) after the timetable has been finalised. The total working time for Exam (Parts A and B) is 3 hours.

IMPORTANT ASSESSMENT INFORMATION

1 Attendance requirements:

If you are an International student in Australia it is a requirement of your student visa that you attend all classes at your campus. For all other students, there are no attendance requirements for this course. However, it is the students' responsibility to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.

2 Requirements for students to complete each assessment item satisfactorily:

To complete each of the assessment items satisfactorily, students must obtain at least 50% of the marks available for each assessment item.

3 Penalties for late submission of required work:

If students submit assignments after the due date without prior approval then a penalty of 20% of the total marks available for the assignment will apply for each working day late.

4 Requirements for student to be awarded a passing grade in the course:

To be assured of receiving a passing grade a student must submit all of the summative assessment items, achieve at least 50% in the examination and at least 50% of the available weighted marks for the summative assessment items.

5 Method used to combine assessment results to attain final grade:

The final grades for students will be assigned on the basis of the weighted aggregate of the marks obtained for each of the summative assessment items in the course.

6 Examination information:

This is a restricted examination. Candidates are allowed access to specific materials during the examination. The only materials that candidates may use in the restricted examination for this course are: writing materials (non-electronic and free from material which could give the student an unfair advantage in the examination); calculators which cannot hold textual information (students must indicate on their

examination paper the make and model of any calculator(s) they use during the examination); English translation dictionaries (but not technical dictionaries). Students are not permitted to take mobile telephones, pagers or other electronic means of communication into the examination room.

- 7 Examination period when Deferred/Supplementary examinations will be held:
Any Deferred or Supplementary examinations for this course will be held during the next examination period.
- 8 University Regulations:
Students should read USQ Regulations 5.1 Definitions, 5.6 Assessment, and 5.10 Academic Misconduct for further information and to avoid actions which might contravene University Regulations. These regulations can be found at the URL: <http://www.usq.edu.au/SECARIAT/calendar/Part5/> or in the printed version of the current USQ Handbook. Students should also read The Guide to Policies and Procedures of the Faculty which can be found at the URL: <http://www.usq.edu.au/handbook/2003/title663.html> or in the printed version of the current USQ Handbook.

ASSESSMENT NOTES

- 1 Assignments: (i) The due date for an assignment is the date by which a student must despatch the assignment to the USQ. The onus is on the student to provide proof of the despatch date, if requested by the Examiner. (ii) Students must retain a copy of each item submitted for assessment. This must be produced within 24 hours if required by the Examiner. (iii) The Examiner may grant an extension of the due date of an assignment in extenuating circumstances. (iv) If students submit assignments after the due date and wish to claim extenuating circumstances then they shall provide validated documentary evidence with the assignment, explaining the circumstances. The Examiner shall consider the statement accompanying a late assignment and decide on the outcome. (v) Assignments are to be submitted in the appropriate assignment folders. (vi) The Examiner will normally only accept assessments that have been written, typed or printed on paper-based media.
- 2 Course Weightings: Course weightings of topics should not be interpreted as applying to the number of marks allocated to questions testing those topics in an examination paper. The examination may test material already tested in assignments.
- 3 Make-up Work: Students who have undertaken all of the required assessments in a course but who have failed to meet some of the specified objectives of a course within the normally prescribed time may be awarded the temporary grade: IM (Incomplete - Make up). An IM grade will only be awarded when, in the opinion of the Examiner, a student will be able to achieve the remaining objectives of the course after a period of non-directed personal study.
- 4 Deferred Work: Students who, for medical, family/personal, or employment-related reasons, are unable to complete an assignment or to sit for an examination at the scheduled time may apply to defer an assessment in a course. Such a request must be accompanied by appropriate supporting documentation. One of the following temporary grades may be awarded IDS (Incomplete - Deferred Examination); IDM (Incomplete Deferred Make-up); IDB (Incomplete - Both Deferred Examination and Deferred Make-up).

- 5 Dishonest Actions: (i) Any student who is alleged to have performed a dishonest action relating to any assessment in the course will have a course of action taken against him/her as outlined in the Academic Regulations. (ii) Pieces of assessment should be the work of individual students. Joint pieces of assessment are not permitted unless written approval has been obtained from the Examiner. (iii) Dishonest action in relation to assessment includes: copying or attempting to copy the work of others; use of or attempting to use information prohibited from use in that form of assessment; submitting the work of another as your own; consciously committing acts of plagiarism, ie taking and using another's thoughts or writings as one's own with intent to deceive, which occurs when paragraphs, sentences, a single sentence or significant parts of a sentence which are copied directly, are not enclosed in quotation marks and appropriately footnoted or referenced in the text; direct quotations are not used, but text is paraphrased or summarised, and the source of the material is not acknowledged by footnoting or other reference in the text.