



The University of Southern Queensland

Course specification

The current and official versions of the course specifications are available on the web at <http://www.usq.edu.au/coursespecification/current>.
Please consult the web for updates that may occur during the year.

Description: Portfolio Management

Subject	Cat-nbr	Class	Term	Mode	Units	Campus
FIN	2105	82024	6, 2008	EXT	1.00	Toowoomba

Academic group:	FOBUS
Academic org:	FOB008
Student contribution band:	3A
ASCED code:	081105

STAFFING

Examiner: Michael Baczynski

OTHER REQUISITES

Students are required to have access to a personal computer, e-mail capabilities and Internet access to USQConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

SYNOPSIS

The current trend in the funds management industry is away from security analysis (stock picking) and towards asset allocation (managing the balance of equities, bonds, cash etc). The former, which may be called investment management, has been surpassed in importance by the latter, which may be called portfolio management. Portfolio management is important to both individuals who manage their own personal assets and managers who manage the assets of others. This course aims to cover the important aspects of portfolio management. Coverage includes: the construction of the portfolio and importance of investment objectives and policies; the management of the portfolio including the selection of assets, the utilisation of modern portfolio methods and the revision of the portfolio; and the protection of the portfolio through the use of derivatives. Emphasis is placed on the analytical aspects of portfolio management and the decision making process to enable students to apply the established theories and models in the financial world.

OBJECTIVES

The course objectives define the student learning outcomes for a course. The assessment item/s that may be used to assess student achievement of an objective is/are shown in parentheses after each objective. On successful completion of this course, students should be able to:

1. demonstrate an understanding of the process of portfolio construction, management and protection (Assignment, Examination)
2. apply portfolio theory to investment analysis and portfolio management (Assignment, Examination)
3. demonstrate an understanding of how investments such as international securities, property and collectables fit into a well-diversified portfolio (Examination)

4. demonstrate an understanding of the process of security selection and revision (Examination)
5. construct, manage and protect a portfolio of financial investments (Examination)
6. evaluate the performance of a portfolio (Examination)
7. discuss the responsibilities incumbent upon professionals in the portfolio management industry (Assignment)
8. demonstrate an ability to solve problems in the context of portfolio management, especially by the application of theory to practice (Assignment, Examination)
9. demonstrate an ability to interpret and analyse data (Assignment, Examination)
10. confidently and coherently communicate the results of an analysis to specific audiences such as investors or professional portfolio managers (Assignment, Examination).

TOPICS

Description	Weighting (%)
1. Introductory concepts and tools	5.00
2. Portfolio objectives and investment policy	10.00
3. Portfolio diversification	20.00
4. International diversification	5.00
5. Equities in the portfolio	10.00
6. Bonds in the portfolio	10.00
7. Real assets	5.00
8. Revising the equity and bond portfolios	10.00
9. Using options to generate income	10.00
10. Performance evaluation	5.00
11. Protecting the portfolio	10.00

TEXT and MATERIALS required to be PURCHASED or ACCESSED

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

Strong, RA 2006, *Portfolio construction, management and protection*, 4th edn, Thomson South-Western, Mason, Ohio.

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, A 2008, *Investments*, 7th edn, McGraw-Hill/Irwin, Boston, Massachusetts.

Gitman, LJ, Joehnk, M, Juchau, R, Wheldon, B & Wright, S 2004, *Fundamentals of investing*, 2nd edn, Pearson Education Australia, Frenchs Forest, New South Wales.
(Australian edition)

STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessments	20.00
Directed Study	36.00
Private Study	99.00

ASSESSMENT DETAILS

Description	Marks out of	Wtg (%)	Due date
ASSIGNMENT	100.00	35.00	07 Nov 2008
2 HOUR EXAMINATION	100.00	65.00	END S6 (see note 1)

NOTES

1. The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date after the timetable has been finalised.

IMPORTANT ASSESSMENT INFORMATION

- 1 Attendance requirements:
It is the students' responsibility to attend and participate appropriately in all activities (such as lectures, tutorials, laboratories and practical work) scheduled for them, and 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 satisfactorily complete an individual assessment item a student must achieve at least 50% of the marks. (Depending upon the requirements in Statement 4 below, students may not have to satisfactorily complete each assessment item to receive a passing grade in this course.)
- 3 Penalties for late submission of required work:
If students submit assignments after the due date without prior approval of the examiner, then a penalty of 5% of the total marks gained by the student for the assignment may apply for each working day late up to ten working days at which time a mark of zero may be recorded.
- 4 Requirements for student to be awarded a passing grade in the course:
To be assured of receiving a passing grade a student must achieve at least 50% of the total weighted marks available for the course.
- 5 Method used to combine assessment results to attain final grade:
The final grades for students will be assigned on the basis of the aggregate of the weighted 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). 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 Student Academic Misconduct for further information and to avoid actions which might contravene university regulations. These regulations can be found at

<<http://www.usq.edu.au/corporateservices/calendar/part5.htm>>. Students should also read the Faculty of Business Policies and Procedures which can be found at <<http://www.usq.edu.au/business/aboutfob.htm>>.

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 assignment 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. All applications for extensions must be accompanied by supporting documentation. In all circumstances no assignments will be accepted two calendar weeks after the due date. The examiner shall consider the statement accompanying a late assignment and decide on the outcome. (iv) The examiner will not accept submission of assignments by facsimile or email. (v) Assignments are to be submitted in the appropriate assignment folders.
- 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 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, that is, 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.