



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: Investment Management Strategies

Subject	Cat-nbr	Class	Term	Mode	Units	Campus
FIN	8103	78193	2, 2008	EXT	1.00	Toowoomba

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

STAFFING

Examiner: Taiji Watanabe
Moderator: Peter Phillips

OTHER REQUISITES

Recommended Pre-requisite: FIN8102. 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>.

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 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

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. identify key components to the process of strategic investment management (Examination)

2. apply and interpret security valuation techniques to equity, debt, derivatives and foreign instruments (Assignment, Examination)
3. evaluate the applicability of the efficient market hypothesis to security markets and investment portfolios (Assignment, Examination)
4. analyse and apply theoretical and practical aspects of portfolio selection and asset allocation (Assignment, Examination)
5. evaluate the performance of investments and investment strategies (Assignment, Examination)
6. construct and manage a portfolio of securities (Examination).

TOPICS

Description	Weighting (%)
1. Security valuation and diversification	60.00
1.1. The investing environment	
1.2. Return and risk measurement	
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. Using derivative securities	20.00
2.1. Options	
2.2. Futures and forwards	
3. Active investment management	20.00
3.1. Portfolio performance evaluation	
3.2. International investing	
3.3. Behavioural finance and technical analysis	
3.4. Investors and the investment process	

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).

Students require a non-programmable financial calculator capable of performing bond yield calculations.

Bodie, Z, Kane, A & Marcus, AJ 2006, *Essentials of investments*, 6th edn, McGraw-Hill/Irwin, Boston, Massachusetts.

(Package: text & student solution manual to accompany this text.)

Fleet, W, Summers, J & Smith, B 2006, *Communication skills handbook for accounting*, 2nd edn, John Wiley & Sons, Milton, Queensland.

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, Ariff, M, da Sliva Rosa, R, Kane, A & Marcus, AJ 2007, *Investments*, McGraw-Hill/Irwin, North Ryde, New South Wales.

(This is an Australian adaptation of 'Investments' by Brodie et al below.)

Bodie, Z, Kane, A & Marcus, AJ 2008, *Investments*, 7th edn, McGraw-Hill/Irwin, Boston, Massachusetts.

Brailsford, T, Heaney, R & Bilson, C 2006, *Investments: concepts and applications*, 3rd edn, Thomson, South Melbourne, Victoria.

Elton, E, Gruber, M, Brown, S & Goetzmann, W 2007, *Modern portfolio theory and investment analysis*, 7th edn, John Wiley & Sons, New York.

Jones, C 2007, *Investments: analysis and management*, 10th edn, John Wiley & Sons, New York.

Levy, H & Post T 2005, *Investments*, Prentice Hall/Financial Times, New York.

Mayo, HB 2008, *Investments: an introduction*, 9th edn, Thomson/South-Western, Mason, Ohio.

Reilly, F & Brown, KC 2006, *Investment analysis and portfolio management*, 8th edn, Thomson/South-Western, Mason, Ohio.

Reilly, FK & Norton, EA 2006, *Investments*, 7th edn, Thomson South-Western, Mason, Ohio.

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

STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessments	40.00
Directed Study	75.00
Private Study	50.00

ASSESSMENT DETAILS

Description	Marks out of	Wtg (%)	Due date
ASSIGNMENT 1	5.00	5.00	08 Aug 2008
ASSIGNMENT 2	30.00	30.00	13 Oct 2008
2-HOUR EXAMINATION	65.00	65.00	END S2 (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:
If you are an international student in Australia, you are advised to 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 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. Once feedback or marks are announced, late submission of assignments for assessment purpose will be only accepted by the course examiner's discretion, and if accepted, the above penalty will apply.
- 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); 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 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. Extenuating circumstances should be interpreted as circumstances which are unanticipated and cannot be planned ahead. Heavy work and/or family commitments and travelling on the due date are normally not considered as extenuating circumstances. All applications of extension must be accompanied by supporting documentation to substantiate the claims of students. In all circumstances, no assignments will be accepted two calendar weeks after the due date. (iv) In the event that a due date for an assignment falls on a local public holiday in their area, such as a Show holiday, the due date for the assignment will be the next day. Students are to note on the assignment cover the date of the public holiday for the examiner's convenience. (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, 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.