



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 | 90079 | 2, 2009 | ONC | 1.00 | Toowoomba |

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

STAFFING

Examiner: Michael Baczynski
Moderator: Taiji Watanabe

OTHER REQUISITES

Students are required to have access to a personal computer, e-mail capabilities and Internet access to UConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/ict/students/standards/default.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

On successful completion of this course, students should be able to:

1. demonstrate an understanding of the process of portfolio construction, management and protection
2. apply portfolio theory to investment analysis and portfolio management
3. demonstrate an understanding of how investments such as international securities, property and collectables fit into a well-diversified portfolio
4. demonstrate an understanding of the process of security selection and revision
5. construct, manage and protect a portfolio of financial investments

6. evaluate the performance of a portfolio
7. discuss the responsibilities incumbent upon professionals in the portfolio management industry
8. demonstrate an ability to solve problems in the context of portfolio management, especially by the application of theory to practice
9. demonstrate professional literacy skills by interpreting and analysing data
10. confidently and coherently communicate the results of an analysis to specific audiences such as investors or professional portfolio managers.

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).

FIN2105 study package available from the USQ Bookshop.

Strong, RA 2009, *Portfolio construction, management and protection*, 5th 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 |
| Lectures | 36.00 |
| Private Study | 99.00 |

ASSESSMENT DETAILS

| Description | Marks out of | Wtg (%) | Due date | Objectives assessed | Graduate skill | Level assessed |
|--------------------|--------------|---------|------------------------|----------------------------|----------------|----------------|
| PORTFOLIO ANALYSIS | 100.00 | 35.00 | 02 Oct 2009 | 1, 2, 7, 8, 9, 10 | U2, U3, U4 | 2, 2, 2 |
| 2-HOUR EXAMINATION | 100.00 | 65.00 | END S2 (see note 1) | 1, 2, 3, 4, 5, 6, 8, 9, 10 | U2, U3, U4 | 2, 2, 2 |

NOTES

- 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.

GRADUATE QUALITIES AND SKILLS

Elements of the following Graduate Skills are associated with the successful completion of this course.

| Graduate skill assessed | Level assessed |
|---|------------------------|
| Problem Solving (Skill U2) | Intermediate (Level 2) |
| Academic & Professional Literacy (Skill U3) | Intermediate (Level 2) |
| Written & Oral Communication (Skill U4) | Intermediate (Level 2) |

IMPORTANT ASSESSMENT INFORMATION

- 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.
- 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 will be an open examination. Candidates may have access to any printed or written material and a calculator during the examination. In line with regulation 5.6.4.2 'Use of Electronic Devices during Examinations', laptop and notebook computers are not permitted.
- 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 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. (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 with the appropriate assignment cover.
- 2 Referencing in assignments: Harvard (AGPS) is the referencing system required in this course. Students should use Harvard (AGPS) style in their assignments to format details of the information sources they have cited in their work. The Harvard (AGPS) style to be used is defined by the USQ Library's referencing guide at <http://www.usq.edu.au/library/help/referencing/default.htm>.
- 3 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.
- 4 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.

OTHER REQUIREMENTS

- 1 Computer, e-mail and Internet access: Students are required to have access to a personal computer, e-mail capabilities and Internet access to UConnect. Current details of computer requirements can be found at <<http://www.usq.edu.au/ict/students/standards/default.htm>>.
-