The University of Southern Queensland
Course specification

Description: Investment Management Strategies

<table>
<thead>
<tr>
<th>Subject</th>
<th>Cat-nbr</th>
<th>Class</th>
<th>Term</th>
<th>Mode</th>
<th>Units</th>
<th>Campus</th>
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</thead>
<tbody>
<tr>
<td>FIN</td>
<td>8103</td>
<td>44275</td>
<td>2, 2005</td>
<td>EXT</td>
<td>1.00</td>
<td>Toowoomba</td>
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Academic group: FOBUS
Academic org: FOB009
Student contribution band: 2
ASCED code: 081105

STAFFING
Examiner: William Roome
Moderator: Michelle Goyen

OTHER-REQUISITES
Recommended Pre-requisite: 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:

1. identify key components to the process of strategic investment management
2. apply and interpret security valuation techniques to equity, debt, derivatives and foreign instruments;
3. evaluate the applicability of the efficient market hypothesis to security markets and investment portfolios;
4. analyse and apply theoretical and practical aspects of portfolio selection and asset allocation;
5. evaluate the performance of investments and investment strategies;
6. construct and manage a portfolio of securities.

**TOPICS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Weighting (%)</th>
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<tbody>
<tr>
<td>1. Security Valuation and Diversification</td>
<td>60.00</td>
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<tr>
<td>1.1. The Investing Environment</td>
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<td>1.2. Return and Risk Measurement</td>
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<td>1.3. Efficient Diversification</td>
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<td>1.4. Asset Pricing Models</td>
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<td>1.5. Efficient Market Hypothesis</td>
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<td>1.6. Fixed-Income Securities</td>
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<td>1.7. Security Analysis and Equity Valuation</td>
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<td>2. Using Derivative Securities</td>
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<td>2.1. Options</td>
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<td>2.2. Futures and Forwards</td>
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<td>3. Active Investment Management</td>
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<tr>
<td>3.1. Investors and the Investment Process</td>
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<td>3.2. Behavioural Finance and Technical Analysis</td>
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<tr>
<td>3.3. Portfolio Performance Evaluation</td>
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<tr>
<td>3.4. Active Portfolio Management</td>
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<tr>
<td>3.5. International Diversification</td>
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**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.

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.


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

Strong, RA 2003, Portfolio construction, management and protection, 3rd edn, Thomson/South-Western, Mason, Ohio.

STUDENT WORKLOAD REQUIREMENTS

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>HOURS</th>
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<tbody>
<tr>
<td>Assessment</td>
<td>40.00</td>
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<tr>
<td>Directed Study</td>
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<tr>
<td>Private Study</td>
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ASSESSMENT DETAILS

<table>
<thead>
<tr>
<th>Description</th>
<th>Marks out of</th>
<th>Wtg(%)</th>
<th>Due date</th>
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<tr>
<td>ASSIGNMENT</td>
<td>20.00</td>
<td>20.00</td>
<td>12 Sep 2005</td>
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<tr>
<td>EXAM A (MULTIPLE CHOICE)</td>
<td>30.00</td>
<td>24.00</td>
<td>END S2 (see note 1)</td>
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<tr>
<td>EXAM B &amp; C (THEORY &amp; PROBLEMS)</td>
<td>70.00</td>
<td>56.00</td>
<td>END S2</td>
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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 for Exam A, B and C after the timetable has been finalised. The total working time for Exam A, B and C is 3 hours.
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 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/corporateservices/calendar/part5.htm. Students should also read
   the Faculty of Business Guide to Policies and Procedures of the Faculty which can be

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) If requested, students will be required
   to provide a copy of an assignment submitted for assessment purposes. This should be
   despatched to the USQ within 24 hours of receipt of a request being made. (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.

OTHER REQUIREMENTS

1 Learning Resources: Prescribed text and materials (see above); prescribed reference materials (see above); printed Introductory Book and Study Book/s; and course Website accessible via USQConnect.