## FINM 2003

### Investments

Investments is designed to prepare students for designing investment portfolios. It covers duties to clients, types of investment products, explores links between investment risk and return, introduces tools for use in portfolio construction, brings in analysis of fixed income products and introduces techniques to evaluate past investment performance.

<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On campus</th>
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</thead>
</table>
| **Prerequisites** | FINM1001 Foundations of Finance  
STAT1008 Quantitative Research Methods |
| **Course Convener:** | Dr. Kun Li |
| **Phone:** | 02 6125 4864 |
| **Email:** | kun.li@anu.edu.au |
| **Office hours for student consultation:** | TBA on Wattle |
| **Research Interests** | Macroeconomics, Industrial Organization, and Finance |
| **Relevant administrator** | Patty Penm |
| **Phone:** | 02 6125 1526 |
| **Email:** | patricia.penm@anu.edu.au |
| **Tutors** | Please check Wattle site for the latest information. |
| **Tutors consultation hours:** | Please check Wattle site for the latest information. |

SEMESTER 2  
2017
COURSE OVERVIEW

Learning Outcomes

By the end of this course, students are expected to:
1. Have attained an understanding of core investments theory;
2. Demonstrate a knowledge of the issues associated with the application of investments theory in a practical setting; and
3. Be effective in communicating the results of empirical research.

Assessment Summary

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Due Date</th>
<th>Date for Return of Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mid-semester examination</td>
<td>20%</td>
<td>Week 7</td>
<td>Week 8</td>
</tr>
<tr>
<td>2. Assignment</td>
<td>20%</td>
<td>Week 10</td>
<td>Week 11</td>
</tr>
<tr>
<td>3. Final Examination</td>
<td>60%</td>
<td>Final exam period</td>
<td></td>
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</tbody>
</table>

Research-Led Teaching

This course will cover methods which are applicable in both a research and practical context. Examples will be provided during the course of the semester which will demonstrate the practical application of research based models.

Feedback

Staff Feedback

We use feedback from students, professional bodies and staff to make regular improvements to the course. In response to this feedback, design improvements from the previous version of the course include:
1. Incorporation of prior examination questions in the tutorial program;
2. Additional emphasis on real world examples; and
3. Changes to the assessment structure.

Student Feedback

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to
http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/
Policies

ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University's academic standards, and implement them. You can find the University's education policies and an explanatory glossary at: [http://policies.anu.edu.au/](http://policies.anu.edu.au/)

Students are expected to have read the [Academic Misconduct Rule](http://policies.anu.edu.au/) before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

Required Resources


CFA Institute Code of Ethics and Standards of Professional Conduct


Examination material or equipment

Details regarding permitted materials and equipment and what to expect will be provided during the lecture in Week 6 (for the Mid-Semester Examination), and in Week 12 (for the Final Examination).

Recommended Resources

COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Week</th>
<th>Summary of Activities</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to Investments</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Risk, Return, and the Historical Record</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Capital Allocation and Optimal Risky Portfolios</td>
<td></td>
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<tr>
<td>4</td>
<td>Index Models</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The Capital Asset Pricing Model</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Multifactor Asset Pricing Models and Empirical Evidence on Security Returns</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>The Efficient Market Hypothesis and Behavioural Finance</td>
<td>Mid-semester examination</td>
</tr>
<tr>
<td>8</td>
<td>Bond Prices and Yields and The Term Structure of Interest Rates</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Managing Bond Portfolios</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Portfolio Performance Evaluation</td>
<td>Assignment due</td>
</tr>
<tr>
<td>11</td>
<td>Hedge Funds</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Investment Policy and the Framework of the CFA Institute</td>
<td>Examination Period</td>
</tr>
<tr>
<td></td>
<td>Examineation Period</td>
<td>Final examination</td>
</tr>
</tbody>
</table>
ASSESSMENT REQUIREMENTS

The ANU is using Turnitin to enhance student citation and referencing techniques, and to assess assignment submissions as a component of the University’s approach to managing Academic Integrity. For additional information regarding Turnitin please visit the ANU Online website.

Students may choose not to submit assessment items through Turnitin. In this instance you will be required to submit, alongside the assessment item itself, copies of all references included in the assessment item.

As a further academic integrity control, students may be selected for a 15 minute individual oral examination of their written assessment submissions.

Any student identified, either during the current semester or in retrospect, as having used ghost writing services will be investigated under the University’s Academic Misconduct Rule.

Assessment Tasks

Assessment Task 1: Mid-Semester Examination

Details of task: This will be a compulsory closed book 90-minutes examination covering all topics from week 1, up to and including the material lectured in week 5. There will be no special examinations for the mid-semester exam. For students who would normally meet the requirements for a special exam (e.g. medical certificate), the weighting will be moved to the final exam. The exact date is to be scheduled by the ANU examinations office to take place during week 7.

Assessment Task 2: Assignment

Details of task: To be completed in groups of 3-4 students. An assignment handout containing further information to be made available by Week 3.

Examination(s)

This course involves a mid-semester and final examination, to be scheduled by central timetabling. The time and location of these exams will be released when confirmed via the ANU timetabling website http://timetable.anu.edu.au/exams/. Details regarding permitted materials and what to expect will be provided during the lecture in Week 6 (for the Mid-Semester Examination), and in Week 13 (for the Final Examination).

Assignment submission

Online Submission: Assignments are submitted using Turnitin in the course Wattle site. You will be required to electronically sign a declaration as part of the submission of your assignment. Please keep a copy of the assignment for your records.
Extensions and penalties

Extensions and late submission of assessment pieces are covered by the Student Assessment (Coursework) Policy and Procedure.

The Course Convener may grant extensions for assessment pieces that are not examinations or take-home examinations. If you need an extension, you must request it in writing on or before the due date. If you have documented and appropriate medical evidence that demonstrates you were not able to request an extension on or before the due date, you may be able to request it after the due date.

No submission of assessment tasks without an extension after the due date will be permitted. If an assessment task is not submitted by the due date, a mark of 0 will be awarded.

Returning assignments

Assignment marks will be uploaded to the Wattle gradebook for the course. The lecturer will detail the procedure for collection of assignments containing any comments on Wattle, upon completion of marking.

Resubmission of assignments

Resubmission of assignments will not be accepted.

Referencing requirements

Students are required to apply the “Harvard Style” of referencing in completing written work, where applicable. The ANU Academic Skills & Learning Centre provides a number of links which you may find helpful:
https://academicskills.anu.edu.au/resources/handouts/referencing-style-guides

Scaling

Your final mark for the course will be based on the raw marks allocated for each of your assessment items. However, your final mark may not be the same number as produced by that formula, as marks may be scaled. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

Privacy Notice

The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensors terms of service and/or privacy policy. Students should read these carefully.

In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and
other information.

In cases where student end users are asked to submit content to a database, such as an assignment or short answers, the database licensor may only use the students content in accordance with the terms of service including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensor’s terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

**Tutorial Seminar Registration**

Tutorial signup for this course will be done via the Wattle website. Detailed information about signup times will be provided on Wattle or during your first lecture. When tutorials are available for enrolment, follow these steps:

1. Log on to Wattle, and go to the course site
2. Click on the link ‘Tutorial enrolment’
3. On the right of the screen, click on the tab ‘Become Member of . . .’ for the tutorial class you wish to enter
4. Confirm your choice

If you need to change your enrolment, you will be able to do so by clicking on the tab ‘Leave group . . .’ and then re-enrol in another group. You will not be able to enrol in groups that have reached their maximum number. Please note that enrolment in ISIS must be finalised for you to have access to Wattle.

**SUPPORT FOR STUDENTS**

The University offers a number of support services for students. Information on these is available online from [http://students.anu.edu.au/studentlife/](http://students.anu.edu.au/studentlife/).