THE UNIVERSITY OF WOLLONGONG  
DEPARTMENT OF ACCOUNTING AND FINANCE  
FIN323: Investments II  
Autumn Session 2003

Subject Coordinator: Dr Barbara Cornelius, room 40.332, 'phone 42214004  
Consultation Times: Monday and Tuesday 4:30-6:30 or by appointment  
Tutor: Mr Masoud Ahmadi, room 19.1040, 'phone 42214417  
Consultation Times: TBA

Lectures: Monday, room 20.3, 10:30-11:30 and Tuesday, room 20.4, 10:30-11:30.


Subject Description: This subject is at an advanced level. Students are presumed to have successfully completed ACCY232 Investments I and to be knowledgeable in the material covered in that subject. Building upon that base, advanced issues in modern investment management, portfolio theory, capital and derivative markets are discussed from a global perspective.

Subject Aims: It is our intent to familiarise students with the issues and strategies needed to function in complex global markets. At the end of the course students should, at minimum, be familiar with investment terms and concepts as well as being able to understand and apply many of the techniques used in analysing and managing investments.

Subject Objectives: Upon completion of this subject, students should have sufficient theoretical understanding to:  
- identify and explain a selection of key issues referred to in the modern investment management literature;  
- evaluate important contributions from investment literature to the field of modern investment management;  
- assess the implications of issues discussed in the literature on the practice of modern investment management.

Students will also be able to select and apply the appropriate techniques to investment management in practice.

Assessment:  
tutorial preparation and participation consideration for borderline marks  
a critique of an academic article 20%  
mid-term exam 20%  
final exam 60%
Subject Requirements: Any student failing to meet the following compulsory requirements will fail regardless of performance in other assessable components of the subject.
   a. Satisfactory and timely preparation of a critique
   b. Satisfactory performance in the mid-term and final exams
   (Note: satisfactory is normally interpreted as a mark of 40%)

Approach:
The assigned text, Investment Analysis and Portfolio Management by FK Reilly and KC Brown will be followed closely. Students are advised to read assigned material prior to the lectures if they hope to reap the benefit of attending those lectures. All students are expected to attend all lectures. Two 50 minute lectures will be offered each week. While the lecturer will attempt to cover all material that is examinable, students may be examined on all material in the course including readings and tutorials.

All students should be registered for and attending one 50 minute tutorial each week. No special consideration will be given to students who cannot help themselves by participating in these sessions. While no assessment of tutorials is undertaken, tutorial preparation and participation will have an impact on the outcome of any students with borderline marks. Tutors will keep a role for this purpose.

From the Code of Practice, among the responsibilities of students are the following:

(iii) abide by the policies and practices of the Faculty and/or of the Academic Unit from which they take subjects, as explained in the subject outline handed out by the end of the first week of lectures for every subject;
(iv) take the initiative and consult with appropriate academic staff when problems arise;
(vi) meet deadlines for work to be submitted as set out in the subject outline;
(vii) attend all lectures, tutorials, … as stipulated in subject outlines for subjects in which they are enrolled;
(ix) to submit original work for assessment, without plagiarising or cheating.

Tutorial:
Every student is expected to prepare responses to assigned questions prior to the tutorial. Students should be prepared to discuss any questions they have regarding the assigned questions in the tutorial. Not all assigned questions will be discussed in any given tutorial, however, all assigned questions may be checked in the Commerce Resource and Student Information Centre the week following their discussion in tutorials.

Article Critique: Each student is to select, read and critique a current academic (2000-2003) articles relevant to a topic covered during the term. The article may be selected from academic journals available in the library or those that can be accessed in full (with tables) from the library’s databases. No journalistic selections (eg clippings from the Financial Review) or textbook chapters will be accepted. Critiques are due Friday, March 28th at 16:00. The article critique is to be handed in to the tutor along with a clean (unmarked) copy of the article. The critique will be returned within two weeks. Late submissions will be penalized 1 point per day or part thereof. Assignments presented for evaluation more than one week after the due date without medical documentation will be rejected and the student will be deemed to have failed the subject.

No critique should be longer than 5 typed pages (1250 words) using double spacing and a 12 point font. There is no minimum length for the critique. It may be as brief as the student likes.
commensurate with responding to the requirements below. There is no need to submit a duplicate copy of the critique, but students are advised to keep a duplicate. Pages must be numbered. There is no synopsis or abstract required in critique writing. If references are used in the body of the critique, they should be listed appropriately using the Harvard (Accounting Review) method. Please leave adequate margins and be as concise as possible.

A critique should address the following issues:
- For whom was the article written? How do you know?
- What was the purpose of the article? What did the author wish to accomplish?
- What were the major issues raised in the article? How original is the author(s) approach (how have these issues been treated in related literature)?
- What is the central thesis or argument presented? Why is it important? Is it?
- What evidence/material/techniques are used by the author(s)? Does this contribute to or distract from the point(s) being made?
- What assumptions have been built into the article, explicitly stated or implicitly?
- Were the arguments firmly grounded in a theoretical framework/methodology?
- What were the best and worst aspects of this article? Be specific and provide examples.

It should be noted that while all questions should be addressed in the critique, this should be written as an essay, not as a series of answers to unspecified questions. Support your assertions with reference to the material in the article and, where possible, bring in your own knowledge, e.g. from the related literature. Note, too, that a critique is not a review or summary of the article. An example of a critique is available in the Faculty of Commerce Resource and Student Information Centre. Please read both the article and the critique prior to submitting your own work for assessment.

If you have problems with English, please make use of the University’s Learning Development Centre.

**Plagiarism:**

*All students* should read and understand the cautionary statement on plagiarism in the Undergraduate Calendar. Plagiarism will not be tolerated. For information on plagiarism refer to the acknowledgement practice available at http://www.uow.edu.au You are assumed to have read and understood this information before signing the statement on plagiarism. Lack of knowledge about what constitutes plagiarism will not excuse it.

Plagiarism is the use of another person’s work, or idea, as if it is your own. The other person may be an author, critic, lecturer or another student. When it is desirable or necessary to use other people’s material, take care to include appropriate references and attribution - do not pretend the ideas are your own. Be sure not to plagiarise unintentionally. ...Plagiarism has led to expulsion from the University. (1998 Undergraduate Calendar, p.77)

University policy requires a coordinator to submit any contested suspicions of plagiarism to a Faculty Investigations Committee for further action. Any act of plagiarism, whether intentional or not, will be recorded by the Academic Registrar’s Division. Penalties range from a zero in the subject to temporary or permanent exclusion from the University.

**Examinations:** The mid-term exam will cover material that has been discussed in tutorials up to the mid-session recess. The examination will take place on Monday AND Tuesday during the lunch hour (from 12:30 to 1:30). Students whose surname begins with A through to Lin will be
in room 67.302 while those whose surnames are later in the alphabet will be in room 67.303. The mid-term will count toward 20% of the final mark. It will provide students with both feedback on their current level of progress and will familiarise them with the examination style of the lecturer. Results will be discussed in tutorials but examination scripts will be kept by the tutor. Students missing the mid-term examination and able to document an illness or other cause as specified for supplementary exams and special consideration (see next paragraph), will not be offered a supplementary. Instead, their final exam will be weighted an additional 20%. However, the mid-term is not optional. Any student missing the mid-term without documented and acceptable grounds will be deemed to have failed. The final exam, covering material presented in both lectures and tutorials throughout the term, will be held at a date to be set by the University. It will count toward 60% of your final mark and must be completed at a satisfactory level. Scaling is anticipated.

Policy on Supplementary Examinations and Special Consideration: Supplementary examinations or special consideration normally will be granted only for a substantial reason supported by relevant evidence submitted in accordance with University regulations. It is the student’s responsibility to be available when required and to provide an up to date contact address and telephone number to the Department. (University Undergraduate Calendar)

Note: Students do not have an automatic right to a supplementary examination. This privilege will only be granted in exceptional circumstances. If a supplementary examination is granted then it could be in the form of an oral examination. If a student applies for special consideration in relation to an examination then the Department may, at its discretion, grant a supplementary examination and NOT mark the original paper. (University Undergraduate Calendar)

Departmental Notice Board: Students should regularly refer to the Departmental Notice board for occasional announcements concerning this subject. During the final study recess, continuous assessment marks will be determined and published on the notice board. Students must immediately advise the lecturer in charge of any errors in those marks. For any changes to be made, notification must occur prior to the final examination. Please do NOT e-mail and ask for this to be forwarded to you. There are too many students to provide this information individually.

Disability: If a student with a disability requires reasonable accommodation in this subject, they are strongly advised to discuss the issues early in the session with one of the following people: the Disability Liaison Officer, Faculty Disability Adviser and/or the subject coordinator. (Faculty of Commerce)
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<td>Critique DUE</td>
<td>Friday 3/28</td>
<td>4:00 PM</td>
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<td>The Analysis and Valuation of Bonds Bond Portfolio Management Strategies</td>
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<td>14-April</td>
<td>Review &amp; Practice Examination</td>
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<td>Recess</td>
<td>21-April</td>
<td>Recess</td>
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<td>Please review for mid-term</td>
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<td>Week #8 Mid-term Rooms 67.302, &amp; 67.303</td>
<td>28 &amp; 29 April lunch hour 12:35 to 1:25</td>
<td>Mid-term Part A on Monday, Part B on Tuesday</td>
<td>This exam covers all lectures and tutorials to date.</td>
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<td>Week #9</td>
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<td>Company Analysis and Stock Selection; Technical Analysis</td>
<td>Chapter 20 Chapter 21</td>
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<td>Equity Portfolio Mgmt. Strategies Derivatives Analysis Review;</td>
<td>Chapter 22 Chapter 23 Chapter 24</td>
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<td>Swap Contracts, Convertible Securities and other Embedded Derivatives</td>
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<td>Professional Asset Management; Evaluation of Portfolio Performance</td>
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