



**UNSW**

## UNSW Course Outline

# FINS5513 Investments and Portfolio Selection - 2024

Published on the 22 May 2024

## General Course Information

**Course Code :** FINS5513

**Year :** 2024

**Term :** Term 2

**Teaching Period :** T2

**Is a multi-term course? :** No

**Faculty :** UNSW Business School

**Academic Unit :** School of Banking and Finance

**Delivery Mode :** In Person

**Delivery Format :** Standard

**Delivery Location :** Kensington

**Campus :** Sydney

**Study Level :** Postgraduate

**Units of Credit :** 6

### Useful Links

[Handbook Class Timetable](#)

## Course Details & Outcomes

### Course Description

This course develops a basic conceptual framework to understand modern investments.

Students develop a more complete understanding of the risk-return tradeoff and the effect of

diversification. Students then learn to price assets, to build investment portfolios, and to evaluate alternative investment strategies. With the assistance of online “Ethics” learning materials, students learn to use conceptual ethical frameworks to evaluate their investment decisions.

## Course Aims

This course develops a basic conceptual framework to understand modern investments.

Students develop a more complete understanding of the risk-return tradeoff and the effect of diversification. Students then learn to price assets, to build investment portfolios, and to evaluate alternative investment strategies. With the assistance of online “Ethics” learning materials, students learn to use conceptual ethical frameworks to evaluate their investment decisions.

## Relationship to Other Courses

This course, along with FINS5512, FINS5514, and FINS5530, builds the core understanding of finance. FINS5513 provides students with a fundamental conceptual framework to comprehend modern investments. It equips students with the necessary tools and theories to understand the dynamics of investment decisions. Studying FINS5512, either previously or concurrently, is recommended, as doing so yields a good overview of the financial markets (including institutions, instruments, and participants) where investments occur. On the other hand, FINS5514 provides a comprehensive understanding of the financial decision-making process within firms, covering activities such as project investment, financing, dividend, and restructuring decisions. Finally, FINS5530 focuses on the management of financial intermediaries.

# Course Learning Outcomes

Course Learning Outcomes	Program learning outcomes
CLO1 : Explain the standard models of asset pricing and their underlying assumptions.	• PLO1 : Business Knowledge
CLO2 : Use the standard models of asset pricing to interpret, analyse and solve real problems in investments.	• PLO1 : Business Knowledge • PLO2 : Problem Solving
CLO3 : Construct investment portfolios and evaluate their performance.	• PLO1 : Business Knowledge • PLO2 : Problem Solving
CLO4 : Identify and assess ethical considerations in investment decisions.	• PLO5 : Responsible Business Practice

Course Learning Outcomes	Assessment Item
CLO1 : Explain the standard models of asset pricing and their underlying assumptions.	• Ongoing studies • Final
CLO2 : Use the standard models of asset pricing to interpret, analyse and solve real problems in investments.	• Ongoing studies • Final
CLO3 : Construct investment portfolios and evaluate their performance.	• Ongoing studies • Final
CLO4 : Identify and assess ethical considerations in investment decisions.	• Ethics Modules • Final

## Learning and Teaching Technologies

Moodle - Learning Management System | Zoom | Echo 360

## Learning and Teaching in this course

There is a lot of material to cover in this course, but we want to ensure that it will be relevant and meaningful to you in class and after you graduate: To help achieve this objective we have a number of teaching aims:

- Create a climate of engagement, dialogue, and ongoing feedback regarding the content, teaching strategies, learning experiences, and outcomes;
- Cater to a variety of learning preferences and abilities by providing a range of learning activities;
- Develop independent learning skills and create an environment that provides guidance as well as encourages students to extend their learning.

# Assessments

## Assessment Structure

Assessment Item	Weight	Relevant Dates	Program learning outcomes
Ongoing studies Assessment Format: Individual	45%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PLO1 : Business Knowledge • PLO2 : Problem Solving
Ethics Modules Assessment Format: Individual	5%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PLO5 : Responsible Business Practice
Final Assessment Format: Individual	50%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PLO1 : Business Knowledge • PLO2 : Problem Solving

## Assessment Details

### Ongoing studies

#### Assessment Overview

This assessment measures the students' ongoing study efforts and achievements. It may include class contribution, assignment, and test.

Assesses: PLO1, PLO2

#### Course Learning Outcomes

- CLO1 : Explain the standard models of asset pricing and their underlying assumptions.
- CLO2 : Use the standard models of asset pricing to interpret, analyse and solve real problems in investments.
- CLO3 : Construct investment portfolios and evaluate their performance.

#### Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
10%	Weekly Mini Case Studies	On-going, Weeks 2-10
15%	Mid-Term Test	Saturday of Week 5
20%	Data Assignment	Due end of Week 9

**Weekly Mini Case Studies (10%):** Mini case studies will accompany lecture topics. Details instructions will be available in Moodle.

**Mid-Term Test (15%):** The Mid-Term Test will take place at the end of week 5. It encompasses materials covered in lectures 1-4. Details and specific instructions concerning the exam will be available within a designated tab on Moodle.

**Data Assignment (20%):** Portfolio optimization using Markowitz and the SIM using EXCEL. Detailed instructions will be provided on Moodle.

#### **Submission notes**

See Detailed assessment description

#### **Assignment submission Turnitin type**

This is not a Turnitin assignment

## **Ethics Modules**

#### **Assessment Overview**

The Ethics module aims to help students develop a critical mindset towards recognising ethical dimensions to the work of business professionals and are consequently able to act on their ethics. Students need to complete the module to a satisfactory standard.

Assesses: PL05

#### **Course Learning Outcomes**

- CLO4 : Identify and assess ethical considerations in investment decisions.

#### **Detailed Assessment Description**

Weight	Assessment Name	Assessment Due Date / Timing
5%	Ethics Modules	Due end of Week 10

#### **Ethics Module (5%):**

The module aims to help students develop a critical mindset towards recognising ethical dimensions to the work of business professionals and are consequently able to act on their ethics. Students need to complete the module to a satisfactory standard which will be defined in detailed instructions to be provided on Moodle. Completion of the ethics module is required by week 10.

## Submission notes

See Detailed assessment description

## Assignment submission Turnitin type

Not Applicable

## **Final**

### Assessment Overview

The final assessment tests the students' overall understanding of the course materials.

Assesses: PLO1, PLO2

### Course Learning Outcomes

- CLO1 : Explain the standard models of asset pricing and their underlying assumptions.
- CLO2 : Use the standard models of asset pricing to interpret, analyse and solve real problems in investments.
- CLO3 : Construct investment portfolios and evaluate their performance.
- CLO4 : Identify and assess ethical considerations in investment decisions.

### Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
50%	Final Exam	Final Exam Period

**Final Exam (50%):**

**Date:** Held during the UNSW Exam Period (date to be determined)

**Venue:** Check your own myUNSW for the venue

The final examination will cover the entire course. It will test materials covered in the text, lecture notes, and other required reading materials. The final exam paper is a confidential exam paper. The final examination is not a learning tool and it will not be returned to students. The final examination is conducted in accordance with the UNSW Rules for the Conduct of Examinations and it is the student's responsibility to be familiar with these rules. Details and specific instructions concerning the final examination will be provided on Moodle.

### Assessment Length

2 hours + 10 minutes reading time

### Submission notes

See Detailed assessment description

### Assignment submission Turnitin type

Not Applicable

## General Assessment Information

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

### Grading Basis

Standard

### Requirements to pass course

In order to pass this course students must:

- Achieve a composite mark of at least 50 out of 100
- Engage actively in course learning activities and attempt assessment requirements
- Meet any additional requirements specified in the assessment details
- Meet the specified attendance requirements of the course (see Schedule section)

# Course Schedule

Teaching Week/Module	Activity Type	Content
Week 1 : 27 May - 2 June	Lecture	Investment Overview: Risk, Return, Risk Aversion, Diversification Reading: BKM Chapters 5, 6
Week 2 : 3 June - 9 June	Lecture	Forming Optimal Portfolios Reading: BKM Chapters 6, 7
Week 3 : 10 June - 16 June	Lecture	CAPM and SIM Reading: BKM Chapters 8, 9
Week 4 : 17 June - 23 June	Lecture	SIM and Active Investing Reading: BKM Chapters 8
Week 5 : 24 June - 30 June	Lecture	Arbitrage Pricing Theory and Multi-Factor Models Reading: BKM Chapters 10, 13 Mid-Term Test on Saturday
Week 6 : 1 July - 7 July	Laboratory	iLab
Week 7 : 8 July - 14 July	Lecture	EMH, Behavioural Finance and Technical Trading Reading: BKM Chapters 11, 12
Week 8 : 15 July - 21 July	Lecture	Portfolio Performance Evaluation; Introduction to Fixed Income: Bond Prices and Yield Reading: BKM Chapters 24, 14
Week 9 : 22 July - 28 July	Lecture	The Term Structure of Interest Rates Reading: BKM Chapters 15 Data Assignment Due
Week 10 : 29 July - 4 August	Lecture	Managing Bond Portfolios Reading: BKM Chapters 16 Ethics Module Due

## Attendance Requirements

Students are strongly encouraged to attend all classes and review lecture recordings.

## General Schedule Information

Please note that the course schedule is subjected to revision. Any updates will be communicated to students via Moodle.

# Course Resources

## Prescribed Resources

The website for this course is on Moodle. Required textbook

Investments, by Z. Bodie, A. Kane, and A. Marcus, 13th Ed., McGraw-Hill Irwin, 2024.

Other useful textbooks and readings

- Essentials of Investments, by Z. Bodie, A. Kane, and A. Marcus, McGraw-Hill Irwin, 2001.
- Security Analysis, by Benjamin Graham and David L. Dodd, McGraw Hill, 1934. Still in print, this is regarded as the bible of value investing. The only book you need to read according to Warren Buffett.
- A Random Walk Down Wall Street, by Burton Gordon Malkiel, 7th Ed., W. W. Norton & Company, 1999. A classic book that has educated many investors.
- Capital Ideas: The Improbable Origins of Modern Wall Street, by Peter L. Bernstein, Free Press, 1992. The development of modern finance theory and how it has changed Wall Street.

## Moodle

This course makes extensive use of the Moodle site, which includes the following:

- Course announcements and general information
- Lecture notes and lecture recordings
- Videos and further reading
- Practical Excel spreadsheets
- Weekly case studies
- Practice exercises
- A personal log of your use of the website
- Your assessment results
- Online technical support

The Moodle site for this course can be accessed from the Moodle log-in page or via MyUNSW.

Web sources: Business School EDU resources:

- [Writing an essay](#)
- [Writing a report](#)

UNSW resources:

- Harvard Referencing
- Plagiarism Quiz
- Report Writing Support
- Essay Writing: The Basics

- Grammar and Style Resources
- Critical Thinking
- UNSW library

## Course Evaluation and Development

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the myExperience survey, which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

## Staff Details

Position	Name	Email	Location	Phone	Availability	Equitable Learning Services Contact	Primary Contact
Lecturer	Evelyn Lai					No	No
	Jinzhao Du					No	No
Convenor	Christoph Meier					No	Yes

## Other Useful Information

### Academic Information

### COURSE POLICIES AND SUPPORT

The Business School expects that you are familiar with the contents of this course outline and the UNSW and Business School learning expectations, rules, policies and support services as listed below:

- Program Learning Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Protocol for Viewing Final Exam Scripts
- Student Learning Support Services

Further information is provided on the [key policies and support page](#).

Students may not circulate or post online any course materials such as handouts, exams, syllabi

or similar resources from their courses without the written permission of their instructor.

## STUDENT LEARNING OUTCOMES

The Course Learning Outcomes (CLOs) – under the Outcomes tab – are what you should be able to demonstrate by the end of this course, if you participate fully in learning activities and successfully complete the assessment items.

CLOs also contribute to your achievement of the Program Learning Outcomes (PLOs), which are developed across the duration of a program. PLOs are, in turn, directly linked to [UNSW graduate capabilities](#). More information on Coursework PLOs is available on the [key policies and support](#) page. For PG Research PLOs, including MPDBS, please refer to the [UNSW HDR Learning Outcomes](#).

## Academic Honesty and Plagiarism

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

## Submission of Assessment Tasks

### SPECIAL CONSIDERATION

You can apply for special consideration when illness or other circumstances beyond your control interfere with your performance in a specific assessment task or tasks, including online exams. Students studying remotely who have exams scheduled between 10pm and 7am local time, are also able to apply for special consideration to sit a supplementary exam at a time outside of these hours.

Special consideration is primarily intended to provide you with an extra opportunity to

demonstrate the level of performance of which you are capable. To apply, and for further information, see Special Consideration on the UNSW [Current Students](#) page.

Special consideration applications will be assessed centrally by the Case Review Team, who will update the online application with the outcome and add any relevant comments. The change to the status of the application immediately sends an email to the student and to the assessor with the outcome of the application.

Please note the following:

1. Applications can only be made through Online Services in myUNSW (see the UNSW [Current Students](#) page). Applications will not be accepted by teaching staff. The lecturer-in-charge/course coordinator will be automatically notified when your application is processed.
2. Applying for special consideration does not automatically mean that you will be granted a supplementary exam or other concession.
3. If you experience illness or misadventure in the lead up to an exam or assessment, you must submit an application for special consideration, either prior to the examination taking place, or prior to the assessment submission deadline, except where illness or misadventure prevent you from doing so.
4. If your circumstances stop you from applying before your exam or assessment due date, you must apply within 3 working days of the assessment or the period covered by your supporting documentation.
5. Under the UNSW Fit To Sit/Submit rule, if you sit the exam/submit an assignment, you are declaring yourself well enough to do so and are cannot subsequently apply for special consideration.
6. If you become unwell on the day of – or during – an exam, you must stop working on your exam, advise your course coordinator or tutor and provide a medical certificate dated within 24 hours of the exam, with your special consideration application. For online exams, you must contact your course coordinator or tutor immediately via email, Moodle or chat and advise them you are unwell and submit screenshots of your conversation along with your medical certificate and application.
7. Special consideration requests do not allow the awarding of additional marks to students.

Further information on Business School policy and procedure can be found under “Special Consideration” on the [key policies and support](#) page.

## LATE SUBMISSION PENALTIES

For assessments other than examinations, late submission will incur a penalty of 5% per day or part thereof (including weekends) from the due date and time. An assessment will not be accepted after 5 days (120 hours) of the original deadline unless special consideration has been

approved. An assignment is considered late if the requested format, such as hard copy or electronic copy, has not been submitted on time or where the 'wrong' assignment has been submitted.

For assessments which account for 10% or less of the overall course grade, and where answers are immediately discussed or debriefed, the LIC may stipulate a different penalty. Details of such late penalties will be available on the course Moodle page.

## FEEDBACK ON YOUR ASSESSMENT TASK PERFORMANCE

Feedback on student performance from formative and summative assessment tasks will be provided to students in a timely manner. Assessment tasks completed within the teaching period of a course, other than a final assessment, will be assessed and students provided with feedback, with or without a provisional result, within 10 working days of submission, under normal circumstances. Feedback on continuous assessment tasks (e.g. laboratory and studio-based, workplace-based, weekly quizzes) will be provided prior to the midpoint of the course.

## Faculty-specific Information

### PROTOCOL FOR VIEWING FINAL EXAM SCRIPTS

UNSW students have the right to view their final exam scripts, subject to a small number of very specific exemptions. The UNSW Business School has set a [protocol](#) under which students may view their final exam script. Individual schools within the Faculty may also set up additional local processes for viewing final exam scripts, so it is important that you check with your School.

If you are completing courses from the following schools, please note the additional school-specific information:

- Students in the **School of Accounting, Auditing & Taxation** who wish to view their final examination script should also refer to [this page](#).
- Students in the **School of Banking & Finance** should also refer to [this page](#).
- Students in the **School of Information Systems & Technology Management** should also refer to [this page](#).

## COURSE EVALUATION AND DEVELOPMENT

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality

enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

## **QUALITY ASSURANCE**

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

## **TEACHING TIMES AND LOCATIONS**

Please note that teaching times and locations are subject to change. Students are strongly advised to refer to the [Class Timetable website](#) for the most up-to-date teaching times and locations.