UNSW Course Outline

FINS4774 Empirical Asset Pricing - 2024

Published on the 12 May 2024

General Course Information

Course Code : FINS4774
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 : Undergraduate
Units of Credit : 6

Useful Links

Handbook Class Timetable

Course Details & Outcomes

Course Description

This course provides critical understandings of the concepts and empirical approaches in asset pricing. Main topics include model testing, financial market anomalies, market efficiency, and asset management.This course exposes students to both conventional views and recent

evidence on selected topics.

Course Aims

The goal of this course is to prepare Honours students to do research in empirical asset pricing. This course emphasizes effective analysis of empirical asset pricing questions. Instead of providing an exhaustive overview of the field, it focuses on in-depth understanding of research questions and empirical research approaches. The course assumes a sound knowledge of the economic theory relating to the foundations of finance and of econometric techniques relating to empirical analysis. By the end of the course, you should be familiar with some advanced work in the field of empirical asset pricing, have a good understanding of how to critically evaluate research work, as well as be equipped to undertake your own research projects in the field.

Good knowledge in Algebra, and Statistics and Probability is required. The econometric techniques covered in Research Method in Finance 1 and 2 are useful for students to understand their research projects.

Relationship to Other Courses

Good knowledge in Algebra, and Statistics and Probability is required. The theoretical knowledge covered in Asset Pricing Theory and the econometric techniques covered in Research Method in Finance 2 are useful for students to understand lecture topics and complete their research projects.

Course Learning Outcomes

Course Learning Outcomes	Program learning outcomes
CLO1 : Understand and apply basic empirical methods in asset pricing tests;	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO4 : Global Impact
CLO2 : Understand major empirical findings in asset pricing literature;	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO4 : Global Impact
CLO3 : Read and critically assess papers in the field of empirical asset pricing;	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO4 : Global Impact
CLO4 : Analyze data, develop hypotheses, and conduct empirical tests;	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO3 : Leadership
CLO5 : Construct written work which is logically and professionally presented;	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO3 : Leadership
CLO6 : Communicate ideas in a succinct and clear manner;	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO3 : Leadership
CLO7 : Work collaboratively to complete a research paper.	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO3 : Leadership • PLO8 : N/A

Course Learning Outcomes	Assessment Item
CLO1 : Understand and apply basic empirical methods in asset pricing tests;	• Individual Assignment • Oral Presentation • Class Participation • Research Project
CLO2 : Understand major empirical findings in asset pricing literature;	• Individual Assignment • Oral Presentation • Class Participation • Research Project
CLO3 : Read and critically assess papers in the field of empirical asset pricing;	• Individual Assignment • Oral Presentation
CLO4 : Analyze data, develop hypotheses, and conduct empirical tests;	• Research Project • Individual Assignment
CLO5 : Construct written work which is logically and professionally presented;	• Research Project • Individual Assignment
CLO6 : Communicate ideas in a succinct and clear manner;	• Oral Presentation
CLO7 : Work collaboratively to complete a research paper.	• Research Project

Learning and Teaching Technologies

Moodle - Learning Management System

Learning and Teaching in this course

This course emphasizes on developing concepts and analytical skills, and focuses on both economic intuition and technical details.

Assessments

Assessment Structure

Assessment Item	Weight	Relevant Dates	Program learning outcomes
Individual Assignment Assessment Format: Individual	40%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO3 : Leadership • PLO4 : Global Impact
Oral Presentation Assessment Format: Individual	15%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO4 : Global Impact
Class Participation Assessment Format: Individual	20%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO4 : Global Impact
Research Project Assessment Format: Individual	25%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PLO1 : Research Excellence • PLO2 : Academic Excellence • PLO3 : Leadership • PLO4 : Global Impact

Assessment Details

Individual Assignment

Assessment Overview

Each student will be asked to complete a few individual assignments including empirical exercises to replicate key empirical results of an assigned paper and a referee report to critically evaluate an assigned paper. More details will be posted on the course website and discussed in class.

Assesses: PLO1, PLO2, PLO3, PLO4

Course Learning Outcomes

- CLO1 : Understand and apply basic empirical methods in asset pricing tests;
- CLO2 : Understand major empirical findings in asset pricing literature;
- CLO3 : Read and critically assess papers in the field of empirical asset pricing;
- CLO4 : Analyze data, develop hypotheses, and conduct empirical tests;
- CLO5 : Construct written work which is logically and professionally presented;

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
40%	Individual Assignment	Sunday of Weeks 4, 7, and 10

Submission notes

See Detailed assessment description

Assignment submission Turnitin type

This is not a Turnitin assignment

Oral Presentation

Assessment Overview

Each student will be asked to present an assigned paper and the preliminary draft of research project proposal. More details will be posted on the course website and discussed in class.

Assesses: PLO1, PLO2, PLO4

Course Learning Outcomes

- CLO1 : Understand and apply basic empirical methods in asset pricing tests;
- CLO2 : Understand major empirical findings in asset pricing literature;
- CLO3 : Read and critically assess papers in the field of empirical asset pricing;
- CLO6 : Communicate ideas in a succinct and clear manner;

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
15%	Oral Presentation	On-going, weeks 1-10

Submission notes

See Detailed assessment description

Assignment submission Turnitin type

This is not a Turnitin assignment

Class Participation

Assessment Overview

Students are expected to make constructive contributions to class discussions. To obtain a good mark for this assessment component, please note that quality is far more important than quantity.

Assesses: PLO1, PLO2, PLO4

Course Learning Outcomes

- CLO1 : Understand and apply basic empirical methods in asset pricing tests;

- CLO2 : Understand major empirical findings in asset pricing literature;

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
20%	Class Participation	On-going, weeks 1-10

Submission notes

See Detailed assessment description

Assignment submission Turnitin type

This is not a Turnitin assignment

Research Project

Assessment Overview

Students are expected to work independently to complete a research project proposal. More details will be posted on the course website and discussed in class.

Assesses: PLO1, PLO2, PLO3, PLO4

Course Learning Outcomes

- CLO1 : Understand and apply basic empirical methods in asset pricing tests;
- CLO2 : Understand major empirical findings in asset pricing literature;
- CLO4 : Analyze data, develop hypotheses, and conduct empirical tests;
- CLO5 : Construct written work which is logically and professionally presented;
- CLO7 : Work collaboratively to complete a research paper.

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
25%	Research Project	Sunday of Week 12

Submission notes

See Detailed assessment description

Assignment submission Turnitin type

This is not a Turnitin assignment

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 all 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	Time-series return predictability I
Week 2 : 3 June - 9 June	Lecture	Time-series return predictability II
Week 3 : 10 June - 16 June	Lecture	Factor models I
Week 4 : 17 June - 23 June	Lecture	Factor models II
Week 5 : 24 June - 30 June	Lecture	Anomalies I
Week 6 : 1 July - 7 July	Project	No lecture in this week Individual meetings to discuss research project topics
Week 7 : 8 July - 14 July	Lecture	Anomalies II
Week 8 : 15 July - 21 July	Lecture	Special topic 1
Week 9 : 22 July - 28 July	Lecture	Special topic 2
Week 10 : 29 July - 4 August	Presentation	Presentation of research project proposal

Attendance Requirements

Please note that lecture recordings are not available for this course. Students are strongly encouraged to attend all classes and contact the Course Authority to make alternative arrangements for classes missed.

Course Resources

Prescribed Resources

There is no prescribed textbook for this course. The website for this course is on Moodle under the subject code FINS 4774/5574. It includes the course outline, lecture notes, reading materials,assignments, and important announcements.

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
Convenor	Jianfeng Shen					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 Plagarism

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.