

333-301 Investments

Credit Points:	12.50
Level:	3 (Undergraduate)
Dates & Locations:	2009, This subject commences in the following study period/s: Semester 1, - Taught on campus. Semester 2, - Taught on campus.
Time Commitment:	Contact Hours: Three hours per week Total Time Commitment: Not available
Prerequisites:	<u>333-201 Business Finance (/view/2009/333-201)</u> and one of <u>316-205 Introductory Econometrics (/view/2009/316-205)</u> , <u>316-206 Quantitative Methods 2 (/view/2009/316-206)</u> , <u>620-202 Statistics (/view/2009/620-202)</u> , <u>620-270 Applied Statistics (/view/2009/620-270)</u> , <u>620-201 Probability (/view/2009/620-201)</u> , <u>620-205 Probability for Statistics (/view/2009/620-205)</u> , <u>620-261 Introduction to Operations Research (/view/2009/620-261)</u> or <u>620-293 Engineering Mathematics (/view/2009/620-293)</u> .
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	None
Core Participation Requirements:	<p><p>For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.</p> <p>It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: http://services.unimelb.edu.au/disability</p></p>
Coordinator:	Mr Bryan Youngsur Lim, Prof Rob Brown
Subject Overview:	This subject is an introduction to investment analysis, with emphasis on equity securities and fixed interest securities. The topics covered focus on issues fundamental to financial managers, money managers, risk managers, financial advisers and regulators. These topics include: fundamental ideas in asset pricing; modern portfolio theory and its applications; equilibrium theories of asset pricing; portfolio performance evaluation; empirical evidence on security returns; key issues in pricing fixed interest securities; the term structure of interest rates; techniques in fixed interest portfolio management and the pricing of floating rate notes and interest rate swaps.
Objectives:	On successful completion of this subject students should be able to: Discuss core concepts in finance, including risk, return, risk premium and risk aversion; Analyse the portfolio selection problem, with emphasis on the mean variance framework; develop techniques to evaluate the performance of money managers; Critically evaluate theories of asset pricing and their applications in the pricing of securities; Analyse issues in the pricing of fixed interest securities and the management of portfolios; Critically evaluate theories of the term structure of interest rates; Discuss issues in the pricing of derivative securities and their application in risk management.
Assessment:	A 3-hour end-of-semester examination (70%). A 1-hour mid-semester test (20%). Tutorial related assessment (10%).
Prescribed Texts:	None

Recommended Texts:	Information Not Available
Breadth Options:	<p>This subject potentially can be taken as a breadth subject component for the following courses:</p> <ul style="list-style-type: none"> # <u>Bachelor of Arts</u> (https://handbook.unimelb.edu.au/view/2009/D09) # <u>Bachelor of Biomedicine</u> (https://handbook.unimelb.edu.au/view/2009/J07) # <u>Bachelor of Environments</u> (https://handbook.unimelb.edu.au/view/2009/A04) # <u>Bachelor of Music</u> (https://handbook.unimelb.edu.au/view/2009/M05) # <u>Bachelor of Science</u> (https://handbook.unimelb.edu.au/view/2009/R01) # <u>Bachelor of Engineering</u> (https://handbook.unimelb.edu.au/view/2009/355-AA) <p>You should visit <u>learn more about breadth subjects</u> (http://breadth.unimelb.edu.au/breadth/info/index.html) and read the breadth requirements for your degree, and should discuss your choice with your student adviser, before deciding on your subjects.</p>
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<ul style="list-style-type: none"> # High level of development: problem solving; application of theory to practice; interpretation and analysis; critical thinking # Moderate level of development: written communication; statistical reasoning; synthesis and evaluation of data and other information # Some level of development: oral communication; collaborative learning; team work
Notes:	Students may not gain credit for both 333-301 Investments and either 306-331 Investments or <u>300-334 Financial Mathematics III</u> (/view/2008/300-334) .