

## FNCE30001 Investments

<b>Credit Points:</b>	12.50
<b>Level:</b>	3 (Undergraduate)
<b>Dates &amp; Locations:</b>	2012, Parkville This subject commences in the following study period/s: Semester 1, Parkville - Taught on campus. Semester 2, Parkville - Taught on campus.
<b>Time Commitment:</b>	Contact Hours: Three hours per week Total Time Commitment: Not available
<b>Prerequisites:</b>	<b>FNCE20001 Business Finance</b> ( <a href="#">../view/2010/333-201</a> ) and one of <b>ECOM20001 Introductory Econometrics</b> ( <a href="#">../view/2010/316-205</a> ) , <b>ECON20003 Quantitative Methods 2</b> ( <a href="#">../view/current/ECON20003</a> ) , <b>MAST20005 Statistics</b> ( <a href="#">../view/current/MAST20005</a> ) , 620-270 Applied Statistics, <b>MAST20004 Probability</b> ( <a href="#">../view/current/MAST20004</a> ) , <b>MAST20006 Probability for Statistics</b> ( <a href="#">../view/current/MAST20006</a> ) , 620-261 Introduction to Operations Research (2008 or earlier), <b>MAST20018 Discrete Maths and Operations Research</b> ( <a href="#">../view/current/MAST20018</a> ) or <b>MAST20029 Engineering Mathematics</b> ( <a href="#">../view/current/MAST20029</a> ) .
<b>Corequisites:</b>	None
<b>Recommended Background Knowledge:</b>	Please refer to Prerequisites and Corequisites.
<b>Non Allowed Subjects:</b>	Students may not gain credit for both <b>FNCE30001 Investments</b> ( <a href="#">../view/current/FNCE30001</a> ) and either 306-331 Investments or <b>ACTL30006 Financial Mathematics III</b> ( <a href="#">../view/current/actl30006</a> ) .
<b>Core Participation Requirements:</b>	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: <a href="http://www.services.unimelb.edu.au/disability/">http://www.services.unimelb.edu.au/disability/</a>
<b>Coordinator:</b>	Dr Zhen Shi, Prof Rob Brown
<b>Contact:</b>	Semester 1 <a href="mailto:zshi@unimelb.edu.au">zshi@unimelb.edu.au</a> ( <a href="mailto:zshi@unimelb.edu.au">mailto:zshi@unimelb.edu.au</a> ) Semester 2 <a href="mailto:rlbrown@unimelb.edu.au">rlbrown@unimelb.edu.au</a> ( <a href="mailto:rlbrown@unimelb.edu.au">mailto:rlbrown@unimelb.edu.au</a> )
<b>Subject Overview:</b>	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.
<b>Objectives:</b>	On successful completion of this subject students should be able to: <ul style="list-style-type: none"> <li># Discuss core concepts in finance, including risk, return, risk premium and risk aversion;</li> <li># Analyse the portfolio selection problem, with emphasis on the mean variance framework;</li> <li># Develop techniques to evaluate the performance of money managers;</li> <li># Critically evaluate theories of asset pricing and their applications in the pricing of securities;</li> <li># Analyse issues in the pricing of fixed interest securities and the management of portfolios;</li> </ul>

	<ul style="list-style-type: none"> <li># Critically evaluate theories of the term structure of interest rates;</li> <li># Discuss issues in the pricing of derivative securities and their application in risk management.</li> </ul>
<b>Assessment:</b>	A 3-hour end-of-semester examination (70%). A 1-hour mid-semester test (20%). Tutorial related assessment (10%).
<b>Prescribed Texts:</b>	You will be advised of prescribed texts by your lecturer.
<b>Breadth Options:</b>	<p>This subject potentially can be taken as a breadth subject component for the following courses:</p> <ul style="list-style-type: none"> <li># <b>Bachelor of Arts</b> (<a href="https://handbook.unimelb.edu.au/view/2012/B-ARTS">https://handbook.unimelb.edu.au/view/2012/B-ARTS</a>)</li> <li># <b>Bachelor of Biomedicine</b> (<a href="https://handbook.unimelb.edu.au/view/2012/B-BMED">https://handbook.unimelb.edu.au/view/2012/B-BMED</a>)</li> <li># <b>Bachelor of Environments</b> (<a href="https://handbook.unimelb.edu.au/view/2012/B-ENVS">https://handbook.unimelb.edu.au/view/2012/B-ENVS</a>)</li> <li># <b>Bachelor of Music</b> (<a href="https://handbook.unimelb.edu.au/view/2012/B-MUS">https://handbook.unimelb.edu.au/view/2012/B-MUS</a>)</li> <li># <b>Bachelor of Science</b> (<a href="https://handbook.unimelb.edu.au/view/2012/B-SCI">https://handbook.unimelb.edu.au/view/2012/B-SCI</a>)</li> <li># <b>Bachelor of Engineering</b> (<a href="https://handbook.unimelb.edu.au/view/2012/B-ENG">https://handbook.unimelb.edu.au/view/2012/B-ENG</a>)</li> </ul> <p>You should visit <a href="http://breadth.unimelb.edu.au/breadth/info/index.html">learn more about breadth subjects (http://breadth.unimelb.edu.au/breadth/info/index.html)</a> and read the breadth requirements for your degree, and should discuss your choice with your student adviser, before deciding on your subjects.</p>
<b>Fees Information:</b>	Subject EFTSL, Level, Discipline & Census Date, <a href="http://enrolment.unimelb.edu.au/fees">http://enrolment.unimelb.edu.au/fees</a>
<b>Generic Skills:</b>	<ul style="list-style-type: none"> <li># High level of development: problem solving; application of theory to practice; interpretation and analysis; critical thinking</li> <li># Moderate level of development: written communication; statistical reasoning; synthesis and evaluation of data and other information</li> <li># Some level of development: oral communication; collaborative learning; team work</li> </ul>
<b>Notes:</b>	Students may not gain credit for both <b>FNCE30001 Investments</b> ( <a href="http://handbook.unimelb.edu.au/view/current/FNCE30001">../view/current/FNCE30001</a> ) and either 306-331 Investments or <b>ACTL30006 Financial Mathematics III</b> ( <a href="http://handbook.unimelb.edu.au/view/current/actl30006">../view/current/actl30006</a> ) .
<b>Related Breadth Track(s):</b>	Economics & Finance