

## FNCE90041 Finance Theory - Investments

<b>Credit Points:</b>	12.50
<b>Level:</b>	9 (Graduate/Postgraduate)
<b>Dates &amp; Locations:</b>	2012, Parkville This subject commences in the following study period/s: Semester 1, Parkville - Taught on campus.
<b>Time Commitment:</b>	Contact Hours: One 3-hour lecture per week Total Time Commitment: Estimated total time commitment of 120 hours per semester
<b>Prerequisites:</b>	Admission to the PhD program in Finance
<b>Corequisites:</b>	None
<b>Recommended Background Knowledge:</b>	None
<b>Non Allowed Subjects:</b>	None
<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>	Prof Spencer Martin
<b>Contact:</b>	Department of Finance Level 2, Economics and Commerce Building The University of Melbourne  Phone: (+61 3) 8344 6912 Fax: (+61 3) 8344 6914
<b>Subject Overview:</b>	This subject provides an overview of capital market theory and evidence. Theoretical topics covered include asset pricing models, behavioural finance, general equilibrium models, models of the term structure of interest rates, models of the relation between forward and futures prices and option pricing models. Empirical topics covered include the time-series behaviour of returns, the impact of market microstructure on the behaviour of returns, event studies, tests of portfolio efficiency, tests of multifactor models and tests of intertemporal models.
<b>Objectives:</b>	On successful completion of this subject students should be able to: <ul style="list-style-type: none"> <li># Generate portfolios that are mean-variance efficient;</li> <li># Apply no-arbitrage conditions to price contingent claims;</li> <li># Identify the factors that are important in determining the links between forward prices and futures prices;</li> <li># understand empirical research methods in asset pricing;</li> <li># critically evaluate empirical asset pricing research work;</li> <li># conduct empirical tests on asset pricing and portfolio models.</li> </ul>
<b>Assessment:</b>	Assignments totalling not more than 2000 words (20%) 2-hour mid-semester examination (40%) 2-hour end-of-semester examination (40%)
<b>Prescribed Texts:</b>	You will be advised of prescribed texts by your lecturer.
<b>Breadth Options:</b>	This subject is not available as a breadth subject.
<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>	On successful completion of this subject, students should have improved the following generic skills: <ul style="list-style-type: none"><li># Oral communication</li><li># Written communication</li><li># Problem solving</li><li># Statistical reasoning</li><li># Application of theory to practice</li><li># Interpretation &amp; analysis</li><li># Critical thinking</li><li># Synthesis of data and other information</li><li># Evaluation of data and other information</li><li># Using computer software</li><li># Accessing data and other information from a range of sources</li></ul>
<b>Related Course(s):</b>	Doctor of Philosophy - Business and Economics