FINM8020
Doctoral Studies in Asset Pricing 2

Course Description
This research level course introduces students in finance and related fields to current asset pricing research, both applied theoretical and empirical. The focus will be on learning how to implement recent advances in the area, and to help develop ideas for new high-quality research. To achieve this, the course will involve a combination of readings, discussions, and implementation.

Mode of Delivery
On campus

Prerequisites
To be eligible to enrol in the course, students must be enrolled in an RSFAS or RSE PhD program and have successfully completed undergraduate studies in Investments or its equivalent at a recognized academic institution. Students must have completed FINM8018, i.e. Doctoral Studies in Asset Pricing 1. Masters students in Finance with a GPA of 6.5 who have completed FINM7008, FINM7007 and FINM7041 may also apply to enrol in the course. This course will be a departmental consent enrolment course.

Incompatible Courses
n.a.

Co-taught Courses
n.a.

Course Convener:
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Office hours for student consultation: Monday 10am –12am
Room 4.40, CBE Bld (26C)

Research Interests
Finance

Relevant administrator
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Tutor(s):

SEMESTER 1
2018
COURSE OVERVIEW

Learning Outcomes

Upon successful completion of the requirements for this course, students should have the knowledge and skills to:

1. Have a comprehensive conceptual framework of empirical asset pricing;
2. Be familiar with the classic papers, recent contributions to frontier topics, and most important, relevant economic questions;
3. Be able to analyze and evaluate new asset pricing research efficiently;
4. Have acquired the skills to conduct and communicate original asset pricing research.

Assessment Summary

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Presentations and Participation</td>
<td>30%</td>
<td>In lectures</td>
</tr>
<tr>
<td>2. Assignments</td>
<td>40%</td>
<td>To be announced</td>
</tr>
<tr>
<td>3. Course project</td>
<td>30%</td>
<td>To be announced</td>
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Research-Led Teaching

Students will be provided with some of the basic tools necessary to undertake research. This will include involving students in critical analysis of classic journal papers and recent contributions to frontier topics in asset pricing, and helping students develop ideas for new research.

Feedback

Staff Feedback

Students will be given feedback in the following forms in this course:

- written comments
- verbal comments

Student Feedback

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognize excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to

http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/
Policies
ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University’s academic standards, and implement them. You can find the University’s education policies and an explanatory glossary at: http://policies.anu.edu.au/

Students are expected to have read the Academic Misconduct Rules 2014 before the commencement of their course.

Other key policies include:
- Student Assessment (Coursework)
- Student Surveys and Evaluations

Required Resources
Commonwealth supported students and domestic full-fee paying students generally must be able to complete the requirements of their program of study without the imposition of fees that are additional to the student contribution amount or tuition fees.

Provided that its payment is in accordance with the Act, a fee is of a kind that is into any one or more of the following categories:

(a) It is a charge for a good or service that is not essential to the course of study.

(b) It is a charge for an alternative form, or alternative forms, of access to a good or service that is an essential component of the course of study but is otherwise made readily available at no additional fee by the higher education provider.

(c) It is a charge for an essential good or service that the student has the choice of acquiring from a supplier other than the higher education provider and is for:
   (i) equipment or items which become the physical property of the student and are not consumed during the course of study; or
   (ii) food, transport and accommodation costs associated with the provision of field trips that form part of the course of study.

(d) It is a fine or a penalty provided it is imposed principally as a disincentive and not in order to raise revenue or cover administrative costs.

Additional course costs
No additional costs other than course materials.

Examination material or equipment
This course has no examinations

Recommended Resources
- Cochrane, J., Asset Pricing;
• Lora D. D., Susan J. S., The Little SAS Book: A Primer;
• Ekkehart B., Juha-Pekka K., John P. B., Using SAS in Financial Research;

COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Week</th>
<th>Summary of Activities</th>
<th>Assessment</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
<td>Assignment</td>
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<tr>
<td>2</td>
<td>The Informational Role Of Market Prices</td>
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<tr>
<td>3</td>
<td>Discount Rates and Equity Premium Predictability</td>
<td>Assignment</td>
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<tr>
<td>4</td>
<td>Testing Asset Pricing Models I</td>
<td>Assignment</td>
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<tr>
<td>5</td>
<td>Testing Asset Pricing Models II</td>
<td></td>
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<tr>
<td>6</td>
<td>Testing Asset Pricing Models III</td>
<td>Assignment</td>
</tr>
<tr>
<td>7</td>
<td>Conditional Asset Pricing Tests</td>
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<tr>
<td>8</td>
<td>Risk, Characteristics, and Anomalies</td>
<td>Assignment</td>
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<tr>
<td>9</td>
<td>More on Anomalies and Proposal Presentation</td>
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<tr>
<td>10</td>
<td>Volatility</td>
<td>Assignment</td>
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<tr>
<td>11</td>
<td>Higher Moments and Idiosyncratic Volatility</td>
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<tr>
<td>12</td>
<td>Project Paper Presentation</td>
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<tr>
<td></td>
<td>Examination period</td>
<td>Course project</td>
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ASSESSMENT REQUIREMENTS

The ANU is using Turnitin to enhance student citation and referencing techniques, and to assess assignment submissions as a component of the University's approach to managing Academic Integrity. For additional information regarding Turnitin please visit the ANU Online website.

Students may choose not to submit assessment items through Turnitin. In this instance you will be required to submit, alongside the assessment item itself, copies of all references included in the assessment item.

As a further academic integrity control, students may be selected for a 15 minute individual oral examination of their written assessment submissions.

Any student identified, either during the current semester or in retrospect, as having used ghost writing services will be investigated under the University's Academic Misconduct Rule.
Assessment Tasks

Assessment Task 1: Presentations and Participation
The course is designed to be very interactive and each student will be required to do several presentations of existing research papers throughout the semester, as well as participate in general discussions. It will reflect on your course grade if you repeatedly come to class unprepared.

Assessment Task 2: Assignments
Computing Assignments: There are computing assignments throughout the entire class. The purpose of these assignments is to train you to be an efficient programmer, as well as a qualified financial database user. Without such training, you will find yourself in a very hopeless position while doing research, as well as the course work in your Ph.D. program. For each assignment, you will need to turn in your input file, your codes with detailed comments and your output file.

Assessment Task 3: Course Project
There will be a course project. About halfway into the semester, you will present your research proposals/ preliminary results (about 15 min), and a preliminary version of your paper during the last week of the term. The final due date of your paper is TBA.

Examination
The course has no examinations.

Assignment submission
Online Submission: Unless an exemption has been approved by the Associate Dean (Education) a submission must be through Turnitin. Assignments are submitted using Turnitin in the course Wattle site. You will be required to electronically sign a declaration as part of the submission of your assignment. Please keep a copy of the assignment for your records.

Extensions and penalties
Extensions and late submission of assessment pieces are covered by the Student Assessment (Coursework) Policy and Procedure.

The Course Convener may grant extensions for assessment pieces that are not examinations or take-home examinations. If you need an extension, you must request it in writing on or before the due date. If you have documented and appropriate medical evidence that demonstrates you were not able to request an extension on or before the due date, you may be able to request it after the due date.

Late submission of assessment tasks without an extension are penalised at the rate of 5% of the possible marks available per working day or part thereof. Late submission of assessment tasks is not accepted after 10 working days after the due date, or on or after the date specified in the course outline for the return of the assessment item.

Returning assignments
N/A
Resubmission of assignments
N/A

Referencing requirements
Reading list of papers for each week will be provided.

Scaling
Your final mark for the course will be based on the raw marks allocated for each of your assessment items. However, your final mark may not be the same number as produced by that formula, as marks may be scaled. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

Privacy Notice
The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensor’s terms of service and/or privacy policy. Students should read these carefully.

In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and other information.

In cases where student end users are asked to submit ‘content’ to a database, such as an assignment or short answers, the database licensor may only use the student’s ‘content’ in accordance with the terms of service – including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensor’s terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

Tutorial Seminar Registration
Tutorial signup for this course will be done via the Wattle website. Detailed information about signup times will be provided on Wattle or during your first lecture. When tutorials are available for enrolment, follow these steps:

1. Log on to Wattle, and go to the course site.
2. Click on the link “Tutorial enrolment”.
3. On the right of the screen, click on the tab “Become Member of ……” for the tutorial class you wish to enter.
4. Confirm your choice.

If you need to change your enrolment, you will be able to do so by clicking on the tab “Leave group…” and then re-enrol in another group. You will not be able to enrol in groups that have reached their maximum number. Please note that enrolment in ISIS must be finalised for you to have access to Wattle.

**SUPPORT FOR STUDENTS**

The University offers a number of support services for students. Information on these is available online from [http://students.anu.edu.au/studentlife/](http://students.anu.edu.au/studentlife/)