This course is to familiarize students with the seminal and contemporary literature on selected topics in theoretical, empirical and applied finance as it relates to investment analysis. The material and structure of the course is designed to provide students with an advanced understanding of investment decision-making. The course is directed at postgraduate and honour students and is designed for students wishing to pursue higher-level studies or a career relating to investment analysis and decision making. The course material builds on undergraduate studies in the area of investments. The material is heavily orientated to research issues and their practical problems.

<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prerequisites</td>
<td>As listed in Programs and Courses</td>
</tr>
<tr>
<td>Incompatible Courses</td>
<td>NA</td>
</tr>
<tr>
<td>Co-taught Courses</td>
<td>FINM 8006</td>
</tr>
<tr>
<td></td>
<td>graduate students attend joint classes with undergraduates but are assessed separately</td>
</tr>
</tbody>
</table>

Course Convener: Qiaoqiao Zhu  
Phone: 612 57293  
Email: Qiaoqiao.zhu@anu.edu.au  
Office hours for student consultation: TBA and by Appointment  
Research Interests: Asset Pricing and Corporate Finance  
Relevant administrator if any (optional): Anna Pickering  
Phone: 612 51526  
Email: Anna.pickering@anu.edu.au
COURSE OVERVIEW

Learning Outcomes

Upon successful completion of the requirements for this course, students will be able to:

1. Obtain an in-depth understanding of investment theories and practice.
2. Derive classical asset pricing models and perform basic empirical tests of the models.
3. Utilize asset pricing models for investment analysis, such as performance measurement, return predictability and event analysis.
4. Analyze and explain limitations of the models in relation to real world investment situations.
5. Work in teams and develop interpersonal and cognitive skills to a higher level.

Assessment Summary

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Due Date</th>
<th>Date for Return of Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Assignment 1</td>
<td>15%</td>
<td>17/8/2018</td>
<td>Week 6</td>
</tr>
<tr>
<td>2. Assignment 2</td>
<td>15%</td>
<td>12/10/2018</td>
<td>Week 12</td>
</tr>
<tr>
<td>3. Presentation</td>
<td>15%</td>
<td>Vary by Group</td>
<td>NA</td>
</tr>
<tr>
<td>4. Final Exam</td>
<td>55%</td>
<td>TBA</td>
<td>TBA</td>
</tr>
</tbody>
</table>

Research-Led Teaching

A large part of this course is learning by doing. Notes and readings will be based on current research on the issues. Student assignments will be based on real data and real investment problems.

Feedback

Staff Feedback

Students will be given feedback in the forms of verbal and written feedbacks for assignments and group presentations. Feedbacks are for individual as well as groups.

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 recognise 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 Rule before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

Required Resources

There are no additional fees for full-fee paying students.

Additional course costs

Undertaking this subject incurs no additional cost besides textbooks and course materials.

Examination material or equipment

Details about the material or equipment that is permitted in an examination room will be available on the Wattle class site.

Recommended Resources

Wattle Courses resources, Library resources, online resources of programming and financial news.

Recommended textbook: Asset Pricing: (Revised Edition), John H. Cochrane

COURSE SCHEDULE

<table>
<thead>
<tr>
<th>week</th>
<th>Summary of Activities</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Risk, Return, and Portfolios</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Expected Utility and Portfolio Choices</td>
<td>Assignment 1</td>
</tr>
<tr>
<td>3</td>
<td>Contingent Claims and SDF</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Mean Variance Optimization</td>
<td>Assignment 1</td>
</tr>
<tr>
<td>5</td>
<td>CAPM</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>APT and Factor Models</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Return Predictability and EMH</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Cross Sectional Predictability</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Changing risk &amp; Conditional CAPM</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Event Studies Applications</td>
<td>Assignment 2</td>
</tr>
<tr>
<td>11</td>
<td>Sentiment and Short constraints</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Other behavioural evidence and Review</td>
<td></td>
</tr>
</tbody>
</table>

**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**

**Participation**

Participation of lecture and group presentation is expected. Some of the assessment (presentation) will use peer review, participation is essential in such settings.

**Assessment Task 1: Assignments**

**Details of task:** Assignments are take home. Some assignments need statistical programming. A complete report as well as appendices such as programming codes needs to be submitted. These assignments are designed to improve students’ problem solving skills and develop their ability to apply knowledge in real-world context.

**Assessment Task 2: Presentation**

**Details of task:** Students are to present research papers assigned to them one week in advance. Presentation can be undertaken in groups. Presentation are assessed both on contents of the delivery and the clarity of the delivery. Particular attention should be paid to
(1) what do authors do, why they do it, and how they do it; (2) how the paper is related to our course.

**Examination(s)**
There is a final exam to be scheduled during the exam period (exact date TBA). The exam covers all topics and will be 3 hours in length, with an additional 15 minutes of reading time.

**Assignment submission**
**Online Submission:** 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.

No submission of assessment tasks without an extension after the due date will be permitted. If an assessment task is not submitted by the due date, a mark of 0 will be awarded.

**Returning assignments**
Assignments will be returned electronically or in class.

**Resubmission of assignments**
No resubmission is allowed.

**Referencing requirements**
Please refer to the ANU referencing guide or relevant convention.

Please refer to Wattle and class notes for readings.


**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.

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/