



School of Economics and Finance

MOFI 305 Investments

Trimester 1 2010

COURSE OUTLINE

Names and Contact Details

Lecturer and Coordinator: Toby DGLISH, RH309, phone 463-5451,
email: toby.daglish@vuw.ac.nz

Administrator: Sue Freear, RH327, phone 463-5380,
email: suzanne.freear@vuw.ac.nz

Trimester Dates

Monday 1 March to Wednesday 30 June.

Class times and Room numbers

Lectures: Mon, Wed, Fri 1130 - 1220 Rutherford House [Pipitea] LT2

Tutorials: Will be arranged using the S-cubed system.

Course Learning Objectives

By the end of the course, students should be able to:

- C1 appreciate the construction of data and use the data as input to the theories taught in this course
- C2 comprehend financial market microstructure, and explain why relevant institutions exist
- C3 analyse the role of utility functions and preferences for risk in the determination of investment decisions
- C4 apply mean-variance portfolio theory to analyse real-world investment problems
- C5 describe and explain the assumptions and reasoning behind the capital asset pricing model, and critically analyse how the model can be extended
- C6 explain the assumptions and reasoning behind the arbitrage pricing theory, analyse how the model can be applied, and critically analyse the empirical debate surrounding the validity of the APT and CAPM
- C7 analyse the reasoning behind technical analysis and behavioural finance, and explain how they challenge the classical theories of finance
- C8 describe the different types of mutual funds available in financial markets, and critically analyse their strengths and weaknesses with reference to the performance of fund managers
- C9 analyse valuations of forward contracts and futures contracts, and explain their use for hedging purposes
- C10 apply the binomial model and Black-Scholes model to value European and American options, and have a basic understanding of delta-hedging.

Topics C1-C5 along with topic C7's coverage of technical analysis will be assessed on the midterm exam, while *all* material will be covered on the final exam.

Although these outlines represent the main objectives of the course, all material covered in lectures is subject to assessment in the course test and exam.

Course delivery

Students will attend lectures and tutorials. Tutorial problems are broken into two sets. The first set are to be completed and submitted at the beginning of the tutorial. The second set of problems are to be attempted during the tutorial, with help from the tutor.

Expected workload

Expected workload for this course is 150 hours. This is composed of 36 hours of lectures, 3 hours of exams, 11 hours of tutorials, and 100 hours of work on tutorial problems and study for the final exam.

Readings

The course is based on the following textbook:

Withdrawal dates

Information available via

Withdrawal dates: Late withdrawals with Associate Dean (Students) permission (See Section 8: Withdrawals - from the Personal Courses of Study Statute)

[http://policy.vuw.ac.nz/Amphora! ~ ~ policy.vuw.ac.nz ~ POLICY ~ 000000001743.pdf](http://policy.vuw.ac.nz/Amphora!~%20policy.vuw.ac.nz~POLICY~000000001743.pdf)

Withdrawal dates: refunds:

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

Class representative

A class representative will be elected in the first class, and that persons name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

SUPPLEMENTARY INFORMATION

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy>

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

<http://www.victoria.ac.nz/home/about.victoria/avcacademic/Publications.aspx>

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

Notice of Turnitin Use

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which identifies material that may have been copied from other sources including the Internet, books, journals, periodicals or the work of other students. Turnitin is used to assist academic staff in detecting misreferencing, misquotation, and the inclusion of unattributed material, which may be forms of cheating or plagiarism. At the discretion of the Head of School, handwritten work may be copy typed by the School and subject to checking by Turnitin. You are strongly advised to check with your tutor or the course coordinator if you are uncertain about how to use and cite material from other sources. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.