

Macau Polytechnic Institute

School of Business

Bachelor of Accounting

Module Outline

Academic Year 2020 / 2021

Semester 1

Learning Module	Portfolio Analysis	Class Code	FINA0130-411		
Pre-requisite(s)	Nil				
Medium of Instruction	English		Credit	3	
Lecture Hours	45 hrs	Lab/Practice Hours	N/A	Total Hours	45 hrs
Instructor	Dr. Aaron JIANG		E-mail	jiangjun@ipm.edu.mo	
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Description

This course is an introductory course to investment and portfolio analysis. It will cover basic concepts of securities and securities markets. Through a discussion of the theoretical concepts, and demonstration of practical problems, students will be able to understand the rationale used by typical investors in applying portfolio management techniques to the investment environment. Topics include: Investment environment; modern portfolio theory; financial analysis; options; futures; investment management and portfolio performance evaluation.

Learning Outcomes (CILOs)

After completing the course, students will be able to:

1. Understand the complex investment environment that involves equity and bond.
2. Apply the theoretical models used in security analysis and valuation.
3. Utilize the theoretical models used in bond analysis and valuation.
4. Apply concepts to practical situations and numerical problems.
5. Utilize knowledge learnt in designing and managing investment portfolio.

Alignment of Program and Course Intended Learning Outcomes

CILO	1	2	3	4	5
PILO					
1. Integrate the contemporary theories, principles of accounting and business disciplines relevant to general business practice.					
2. Assess general business scenarios with mathematical and statistical skills.					
3. Apply critical thinking and logical analysis skills and techniques to solve business problems.	√	√	√	√	√
4. Interpret and analyze accounting information for internal control, planning, performance evaluation, and coordination to continuously improve business process.					
5. Apply accounting or business software for business analysis.					
6. Develop queries to assess management information from database to improve efficiency and effectiveness.	√	√	√	√	√
7. Synthesize the latest requirement of international accounting and auditing standards in preparing financial statements and auditing reports.					
8. Utilize appropriate written and spoken forms to communicate effectively with stakeholders in various cultural environments.					
9. Recommend an appropriate course of action by ethically examining the economic, environmental, political, legal and regulatory contexts of global business practice.	√	√	√	√	√
10. Utilize the latest empirical findings and academic studies to support the recommendation of business projects.	√	√	√	√	√

Content

Module & Topic	Duration
Module 1: Investment Introduction 1.1 Asset Classes and Financial Instruments 1.2 How Securities are Traded 1.3 Mutual Fund and other Investment Companies	9 hrs.
Module 2: Portfolio Theory and Practice 2.1 Risk, Return, and Historical Record 2.2 Capital Allocation to Risky Assets 2.3 Optimal Risky Portfolio	9 hrs.
Midterm Exam: Module 1-2	3 hrs.
Module 3: Equilibrium in Capital Markets 3.1 The Capital Asset Pricing Model 3.2 Arbitrage Pricing Theory and Multifactor Models of Risk and Return 3.3 The Efficient Market Hypothesis	6 hrs.
Module 4: Fixed Income Securities 4.1 Bond Prices and Yields 4.2 The Term Structure of Interest Rates 4.3 Managing Bond Portfolios	6 hrs.
Module 5: Security Analysis 5.1 Macroeconomic and Industry Analysis 5.2 Equity Valuation Models 5.3 Portfolio Performance Evaluation	9 hrs.
Final Examination: Module 3-5	3 hrs.
Total	45 hrs.

Teaching Method

Teaching and Learning Activities (TLAs)

This course is primarily conducted by means of class lectures and discussion of factors and issues affecting management performance in the management accounting literature. In addition to reading materials in the text, students are asked to perform analysis of case materials for in-class discussion, with the submission of a formal report for instructor's evaluation. Mid-term test is used to monitor students' progress and commitment of knowledge acquisition throughout the course. A comprehensive final examination is used to assess students' overall performance at the end of the course.

TLA1: Portfolio Analysis knowledge is delivered primarily by lectures with the aid of slides on concepts of accounting methodologies, with the technical skills and techniques illustrated by solving problems.

TLA2: Short formative quizzes will be given at the end of the lessons. Discussions are part of the class activities in which teamwork will be encouraged. Current events with financial, accounting, and socio-economic implications will be raised in class to help students think and understand the linkage of the course learning with the current news events, the importance of the need of ongoing learning as well as to monitor progress of students' knowledge acquisition in Portfolio Analysis.

TLA3: Students must prepare for assignments besides class attendance. They will be asked to work on problems or respond to conceptual issues in the readings.

TLA4: A group project is used to assess students' ability to analyze and interpret the issues or cases

of Portfolio Analysis.

TLA5: Students are to design and manage own mocked investment portfolio that meet the targeted investor’s objectives. Both passive and active strategies are examined together with an in-depth review of pricing efficiency in securities markets and the implications for portfolio managers.

In order to achieve the outcomes of this course, students are expected to perform the following learning tasks:

- Read and prepare assigned materials before class
- Review and work on exercises after class to evaluate understanding
- Attend seminars and meetings that help to expand the knowledge horizon
- Prepare and collect project information
- Prepare for test and final examination
- Seek advice from instructor for difficulties encountered
- Form study group to learn and practise skills and knowledge

Alignment of CILOS with TLAs

CILO No.	TLAs are primarily designed to assist students’ understanding
CILOs 1, 2, 3, 4, 5	TLA1: Interactive lectures <ul style="list-style-type: none"> - Lectures: in-depth coverage of advanced management accounting is presented with PowerPoint slides and other additional illustration materials as necessary. - Q&A: time allowed to raise questions from both instructor and students
CILOs 1, 2, 3, 4	TLA2: In-class discussion Q&As and formative quizzes <ul style="list-style-type: none"> - In-class Q&As will be used in the class to direct student attention to the issues. - Formative Quizzes: students will take short oral or written quizzes to motivate them to review what they have learned.
CILOs 1, 2, 3, 4	TLA3: Assignments <ul style="list-style-type: none"> - Students are required to complete assigned questions and problems. At least one major problem will be assigned from a list of questions after each chapter at specific time. No late submission will be accepted.
CILOs 1, 2, 3, 4	TLA4: Group Project and Presentation <ul style="list-style-type: none"> - Students are required to form a small group to present certain portfolio analysis cases. This provides students opportunities to integrate and apply their knowledge of portfolio analysis in the course to analyze, evaluate and interpret the case issues. - Team work and communication: In addition to reinforcing their knowledge through group interactive discussion, students can learn to coordinate their task and develop their presentation skills.
CILO 5	TLA5: Individual Portfolio Management <ul style="list-style-type: none"> - Students are required to design and manage own mocked investment portfolio that meet the targeted investor’s objectives. Both passive and active strategies are examined together with an in-depth review of pricing efficiency in securities markets and the implications for portfolio managers. Additional topics include strategies for managing security analysis and stock valuation, international diversification, and portfolio performance evaluation.

Attendance

Attendance requirements are governed by the “Academic Regulations Governing Bachelor’s Degree Programmes of Macao Polytechnic Institute”. Students who do not meet the attendance requirements for the course will not be permitted to sit the final and re-sit examination and shall be awarded ‘F’ grade.

Plagiarism Policy

When a student submits an assignment, he has a duty to ensure that his assignment has been checked by *Turnitin* software, and the similarity score given by *Turnitin* software cannot be higher than 30%. However, a special case can be determined by the instructor.

Assessment

Students' understanding of course material and their performance is assessed through presentation of case analysis and reports, assignments, mid-term test, and comprehensive final examination, the weighting of which is shown below:

CILOs	Type of Assessment Task/Activities	Weighting	Remarks
CILOs 1, 2, 3, 4, 5	Assignment	25 %	Progressive assessment
CILOs 1, 2, 4	Midterm test	25 %	Summative assessment
CILOs 1, 2, 3, 4	Final Examination	<u>50 %</u>	Summative assessment
Total Percentage:		<u>100 %</u>	

Teaching Materials

Textbook

[1] Bodie, Zvi^[1], Alex Kane, and Alan J. Marcus (2017), **Investments**, Asia Global Edition, McGraw-Hill

References

- [2] Frank K. Reilly, Keith C. Brown, Sanford Leeds (2018), **Investment Analysis and Portfolio Management**, 11th ed., Cengage Learning
- [3] Pinto, Jerald E., & Elaine Henry (2015), **Equity Asset Valuation**, 3rd ed., Wiley
- [4] Graham, Benjamin, & David L. Dodd (2008), **Security Analysis**, 6th ed., McGraw-Hill

Websites

- <https://www.wsj.com> (華爾街日報)
- <http://www.bloomberg.com> (彭博商業週刊)
- <http://www.ft.com> (金融時報)

Financial Calculator (Optional)

Texas Instruments BA II Plus (including BA II Plus Professional), or Hewlett Packard 12C