

**Macau Polytechnic University**

**Faculty of Business**

**Bachelor of Accounting**

**Module Outline**

**Academic Year** **2022 / 2023**

**Semester** **1**

Learning Module	Portfolio Analysis		Class Code	FINA0130-411	
Pre-requisite(s)	N/A				
Medium of Instruction	English		Credit	3	
Lecture Hours	45 hrs	Lab/Practice Hours	0 hrs	Total Hours	45 hrs
Instructor	Choi Kok Kun		E-mail	t1701@mpu.edu.mo	
Office	Room B110, Chi Un Building		Telephone	85993304	

**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 (MILOs)**

After completing the learning module, students will be able to:

1. Understand the complex investment environment that involves equity and bond.
2. Apply the theoretical models in security analysis and valuation.
3. Utilize the theoretical models 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 Module Intended Learning Outcomes**

PILO	MILO	1	2	3	4	5
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

The following time schedule is tentative and will be adjusted according to learning progress of the class as well as the time constraint due to the compliance of legal holidays entitlement.

Module & Topic	Duration
<b>Module 1: Investment Introduction</b> 1.1 Asset Classes and Financial Instruments (Ch2) 1.2 How Securities are Traded (Ch3) 1.3 Mutual Fund and other Investment Companies (Ch4)	9 hrs.
<b>Module 2: Portfolio Theory and Practice</b> 2.1 Risk, Return, and Historical Record (Ch5) 2.2 Capital Allocation to Risky Assets (Ch6) 2.3 Optimal Risky Portfolio (Ch7)	9 hrs.
<b>Midterm Exam: Module 1-2</b>	<b>3 hrs.</b>
<b>Module 3: Equilibrium in Capital Markets</b> 3.1 The Capital Asset Pricing Model (Ch9) 3.2 Arbitrage Pricing Theory and Multifactor Models of Risk and Return (Ch10) 3.3 The Efficient Market Hypothesis (Ch11)	6 hrs.
<b>Module 4: Fixed Income Securities</b> 4.1 Bond Prices and Yields (Ch14) 4.2 The Term Structure of Interest Rates (Ch15)	6 hrs.
<b>Module 5: Security Analysis</b> 5.1 (Selected) Equity Valuation Models (Ch18)	9 hrs.
<b>Final Examination: Module 3-5</b>	<b>3 hrs.</b>
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 portfolio management. In addition to reading materials in the text, students will be 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 assess students' learning progress, supplemented with Q and A's during class lectures. A comprehensive final examination is used to assess students' overall knowledge acquired after completing 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: 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.

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 for test and final examination
- Seek advice from instructor for difficulties encountered
- Form study group to learn and practise skills and knowledge

### **Alignment of MILOS with TLAs**

MILO No.	TLAs are primarily designed to assist students' understanding
MILOs 1, 2, 3, 4, 5	TLA1: Interactive lectures <ul style="list-style-type: none"><li>- Lectures: in-depth coverage of Portfolio management is presented with PowerPoint slides and other additional illustration materials as necessary.</li><li>- Q&amp;A: time allowed to raise questions from both instructor and students</li></ul>
MILOs 1, 2, 3, 4	TLA2: In-class discussion Q&As <ul style="list-style-type: none"><li>- In-class Q&amp;As will be used in the class to direct students' attention to the issues.</li></ul>
MILOs 1, 2, 3, 4	TLA3: Assignments <ul style="list-style-type: none"><li>- 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.</li></ul>

### **Attendance**

Attendance requirements are governed by the “Academic Regulations Governing Bachelor’s Degree Programmes of Macao Polytechnic University”. 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:

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

## **Teaching Materials**

### **Textbook**

- [1] Bodie, Zvi, Alex Kane, and Alan J. Marcus. 2021. **Investments** (bundled with Connect Code Card), Asia Global 12<sup>th</sup> Edition\*, McGraw-Hill. (ISBN: 978-1-260-01383-2)

### **References**

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