

**ASSUMPTION UNIVERSITY
MARTIN DE TOURS SCHOOL OF MANAGEMENT AND ECONOMICS
DEPARTMENT OF FINANCE AND BANKING
COURSE OUTLINE (SEMESTER 2 / 2011)**

Martin de Tours School of Management and Economics' Vision and Mission

Vision:

To be the leading international business school in the ASEAN region providing high quality business education to enable graduates to make invaluable contributions to organizations and society.

Mission:

To shape our students into independent-minded graduates who are well-versed in business, able to communicate effectively, tech savvy, innovative, and ethical to successfully face global challenges.

COURSE TITLE : FIN 4814 QUANTITATIVE METHODS FOR FINANCIAL DECISIONS

PRE-REQUISITE : FIN 3711 INVESTMENT

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COURSE DESCRIPTION

This course is designed to study and apply various mathematical models and quantitative methods to support decision-making in financial and related problems. The data- and problem-driven would be employed to give students the skills to estimate and interpret models

COURSE OBJECTIVES

- To equip students with the capabilities of applying quantitative ways in analyzing financial issues and making decisions.
- To help students develop the basics of financial analytical ability and skills for more advanced finance courses

TEXT BOOK

Main Textbook: • Chris Brooks, "Introductory Econometrics for Finance," 2nd Ed., Cambridge University Press, 2008

Reference • Richard A. Defusco, "Quantitative Methods for Investment Analysis," 2nd Ed., CFA Institute, 2004

• Damodar N. Gujarati, "Basic Econometrics," 5th Ed., McGraw-Hill, 2008

MARK ALLOCATION

Criteria	Allocation
Midterm Examination	30%
Final Examination	40%
Term Paper and Presentation	20%
Assignment and Discussion	10%

- **Note:** Calculators: Only non-programmable scientific or financial calculators are allowed.

COURSE SCHEDULES

Week	Topic
1	Chapter 1: Introduction
2	Chapter 2: Overview of the classical linear regression model
3-4	Chapter 3: Further analysis of the classical linear regression model
5	Chapter 4: Classical linear regression model assumptions and diagnostic tests
6-7	Chapter 7: Modeling long-run relationship in finance
Midterm Examination: Chapter 1-5	
8	Chapter 5: Univariate time series modeling and forecasting
9	Chapter 9: Switching Model (Only the concept of Dummy Variable)
10	Chapter 11: Limited Dependent Variable
11-14	Mathematic for Finance and Investment
15	Final presentation for term project
Final Examination: Comprehensive	

TERM PROJECT AND PRESENTATION

- 6 members for 1 group
- Search and choose any one research about finance (more preferable if it is related to the topics covered in this course). You can find this research from online academic journal (JSTOR, Emerald, etc.). Please visit <http://libraty.au.edu> or ask librarian about how to access online database of academic journal
- Read and make understand for this research. (You should choose the topic that you can understand and it is possible to replicate. *What is replicate? Replicate means you employ the methodology in the research for your own report by using different sets of data.*)
- Replicate the chosen research by using the real data in Thailand (and other related countries if applicable).
- Write the final report in the good style.
- **Note:** You should find the topic as early as possible and bring to discuss with me to make sure that your chosen research could be used.
- **1st Meeting**
 - Bring up the topic to discuss with me. You can bring many topics to me but you should read each topic briefly before come to discuss with me. (Only group representatives should come)
 - Submitted Documents: The hard copy of your chosen research and submit the soft copy to email: tangjitprom.n@gmail.com.
 - *Due Date: Before The first date of Mid-term Exam period.*
- **2nd Meeting**
 - Write the short proposal about your report (2 pages) – introduction, methodology, and how you interpret the result. Bring it to discuss with me. (Only group representatives should come)
 - Submitted Documents: The hard copy of your short proposal.
 - *Due Date: Within two weeks after the last day of Mid-term Exam period.*
- **Final presentation**
 - Present the final report.
 - Submitted Documents: The final report and your chosen research. (Don't need to print out all data to me. Just print out only important result but bring the file together with you in presentation date.) Also submit the soft copy of them together with PowerPoint and data files to email: tangjitprom.n@gmail.com.
 - *Due Date: Before Final Examination and after finishing all lessons (All members need to come in presentation date. Absentees will get no mark for project.)*

CLASSROOM POLICIES:

- **Students need to comply with AU Dress Code, Time Conflict Examination Regulations, Laws on Smoking Cigarette, and Restrictions on Foods and Drinks V10.1, June 2010.**
- **Attendance policies:**
 - 2 times of ten-minute late for class considered as 1 absence.
 - Make-up classes are not allowed.
 - 80% attendance is strictly required regardless of any reason.
 - No checking attendance for other classmates. Violation of the policies will result in being automatically withdrawn from the class.
 - Attendance is counted since the first day of class regardless of any reason.
- **Manner in class:**
 - Behave in a polite manner
 - Pay respect to instructors and class participants
 - Turn off all communication devices
 - Do not leave and re-enter the classroom
 - Prohibited manners: Eating, drinking, chatting, talking on the phone, text-messaging, sleeping, reading other materials, doing other subjects' assignments/homework, walking in-out, etc.
 - Improper behavior will result in no attendance checked.
- **Dress code:**
 - Follow AU dress code
 - Improper dress code will result in no attendance checked.
- **Class assignments (Homework, reports, project, presentation, paper, etc.):**
 - No Plagiarism.
 - The students copying works from all sources will be penalized – “Zero” marks or “F” grade.
 - Hand in all class assignment on time, both soft copy and hard copy.
 - **Late submission will NOT be graded.**
- **Class participation:**
 - Be participative and attentive in class
 - The students are also required to comply with all classroom policies.
 - Violation of the classroom policies will result in “zero” or “negative” participation marks and/or no attendance checked.
- **Request for make-up quizzes (if applicable):**
 - The students requesting for the make-up quizzes need to submit their names with valid evidence (ABAC related issues only) to the respective lecturer within the specified dates.
 - Late submission will NOT be allowed to take the make-up quizzes.
- **Grade inquiry:**
 - The students can request for a review for their marks or grades.
 - The students need to submit petition to the respective Chairperson at D6 or MSM2 within 2 weeks after their marks or grades have been officially announced. Petition submitted after the specified period will NOT be considered.
 - **Reevaluation process:** The students' class assignments or exam answer scripts will be reevaluated by the internal committees assigned by the respective department. Please note that the students' marks may or may not be adjusted after the reevaluation process and it is considered as a “final consensus” between the students and the committees.

**January 30, 2012: Last day to withdraw with “W”
(Withdrawing after this date, the students need a chairperson’s approval.)**

DRESS CODE REGULATIONS FOR CLASS

Students are required to wear proper attire in their classroom. Students wearing the following items will not be allowed to check their class attendance:

- Trousers and skirts made of jeans, corduroy, or velvet materials, or made in “jeans design.”
- Shirts / blouses in which the edges are not tucked inside trousers or skirts.
- Slippers.

DRESS CODE REGULATIONS FOR EXAMINATIONS

Students are obligated to wear the University’s full uniform as stipulated in the University’s dress code regulations to take examinations. Failure to comply with the regulation will result in students not being allowed to appear for examinations, and subsequently, the student receiving “0” marks for the examination.

To be eligible to appear for exams, students are required to:

- **Wear full uniform:**
- Male students must wear black or dark blue trousers, white button/collared shirt, black shoes, University neck-tie and belt buckle.
- Female students must wear black or dark blue skirt, white button/collared shirt, black shoes, and University buttons, pin, and belt buckle.

AU Dress Code Requirement

This is to inform all AU students that during the University’s office hours (08.00 – 17.00) of any regular semester, students on the University’s premise, irrespective of their reasons, are obligated to strictly observe the University’s dress code, i.e. tucking their shirts or blouses in their trousers or skirts respectively, and not wearing slippers and trousers or skirts made from jeans, corduroy and velvet. Violating the dress code will subject the students to the following terms of punishment.

1. Violating the code in the classroom will result in:
 - Confiscation of students’ ID cards and submission of the cards to the Office of Vice President for Students’ Affairs for record and punitive actions purposes;
 - Deduction of their “classroom conduct” marks allotted by their lecturers, if any, submission of their names to the Office of Vice President for Students’ Affairs, and compulsory acknowledgement of their dress code violation by their parents at the Student Affairs’ Disciplinary Unit (also see details No. 4);
 - Their dismissal from the class together with the deletion of their class attendance for that particular class.
2. Not observing the code in front of the classroom will subject the students in the premise to:
 - Verbal warning from lecturers and/or security guards, or
 - Confiscation of students’ ID cards and submission of the cards to the Office of Vice President for Students’ Affairs for record and other disciplinary actions purposes (also see details No.4).
3. Breaching the dress code on “campus”, including the “CL plaza”, will result in confiscation of students’ ID cards and submission of the cards to the Office of Vice President for Students’ Affairs for record and disciplinary actions purposes (also see details No.4).
4. Students with 2-violation records will be required to bring their parents for a compulsory acknowledgement of their dress code violation at the Student Affairs’ Disciplinary Unit. Failure to comply with the requirement will result in the students being debarred from the enrollment in the following semester.
 - Please note that all AU students are obligated to carry the University’s student ID cards at all times while on the campus’s premise, hence failure to comply with the requirement, irrespective of their reasons, will subject the students to a fine of up to 200 baht.

- Please note that before the commencement of the first lesson in the semester, lecturers are obligated to inform students in their classes of the necessity in observing the dress code as well as the aforementioned punishments that will be rendered to students defying the code.

Office of Vice President for Academic Affairs
EXAM TIME CONFLICT

To minimize grading disparity between a group of students taking the regular set examination papers and those missing the test and requesting a make-up examination, **no make-up examinations will be offered regardless of students’ reasons.** It is each students primary responsibility to ascertain the subject’s examination schedule with the Registrar’s Office, prepare for the examination from the beginning of the semester, take good care of their health before the examination date, and arrange their business trips and meetings for continuing program sections. Furthermore, on the examination day, as a precaution, always give extra time on the road so as to avoid traffic and accidents.

MINIMUM PASSING REQUIREMENT

To ensure the students have acquired sufficient understanding of **XXXX** concepts and its applications, it is essential that their performance in both mid-term and final examinations results in scores of 50% or higher from a total of 45 marks. This minimum scores also serves as the minimum to earn a letter grade of “C”. To minimize the effect of subjectivity when assigning participation and project marks on the student’s final grade – i.e. one lecturer being somewhat different from the others in assessing student’s ability to answer or participate in class discussions – a grade of “C” would only be assigned on the basis of students’ performance in mid-term and final examinations. Their efforts in class discussions, participation and/or quizzes would reflect their overall performance and hence determine whether they deserve a better grade, i.e. “A” or “B”.

CLASS ATTENDANCE

In compliance with the University's policy on class attendance, the ABAC School of Management requires all students enrolling in courses offered by the School, to obtain a minimum of 80% class attendance to be eligible to sit and take the final examination.

The 20% absence is the maximum number of allowable absences. It is inclusive for all excuses, i.e., sickness, personal and family matters, business trips, and other personal reasons. It is therefore, the student's primary responsibility to determine the necessity and ascertain the number of times of their absences. For a 3-credit hour subject, with one-and-a-half hour, students are allowed to miss the class 6 times, and with 3 hours class, they can be absent 3 times. It is always desirable for students to reserve at least 2 allowable absences for some unanticipated situations, i.e. sickness or business trips that might result in their absences. Generally speaking, as they have paid tuition fees for 45-hour class (for 3-credit hour subject), students should not be missing any classes in order to obtain maximum value for what they have paid for.

It is always arguable whether class attendance has any correlation with passing or failing a subject. Nonetheless, it is the student's effective time management and discipline to attend classes that enable them to meet minimum attendance requirements and thus appear for the final examination.

It is not up to the students to decide whether a lecture is too simple and hence, not necessary to attend. On the contrary, it is the students' primary duty to provide feedback to the concerned Department Chairperson regarding the perceived poor performance of their lecturers, i.e. not being punctual, not preparing well for class, not using English in class, and being too critical for class evaluation at the end of the semester.

Automatic Withdrawal Without Students' Consent

The Dean, Department Chairperson, and Lecturer of this subject are empowered to withdraw or withhold correction of the final examination papers from students lacking class attendance requirements without the students' consent.

Submission of Class Attendance Reports

The School of Management requires all full-time and part-time lecturers to submit their class attendance reports weekly. As such, all the alterations of class attendance records – should there be any errors in the record – must be made with the concerned lecturer before the report is submitted to the School of Management. Once the report is submitted, the record is finalized and will not be changed.

Three Warnings

To give students adequate warning regarding their absences, Lecturers are suggested to give students three warnings on their 3rd, 5th, and 6th absence – in case their class is one-and-a-half hours, and two warnings on their 2nd and 3rd absence – if the lecture is a 3 hour class. Please keep in mind that this is not the mandatory policy of the School of Management, hence students are obligated to regularly check with their lecturers on the number of their absences.

Class attendance can only be checked for the section the student is registered in:

Students are not allowed to ask lecturers to check their attendance in sections other than the one they have enrolled in. Nonetheless, to give students an opportunity to catch-up classes that they have missed or to review certain topics they did not understand, students are permitted to audit lectures in other sections, given that the lecturer of the section grants permission. Please keep in mind that the permission of the Lecturer to audit his/her lecture in other sections does not imply that students can receive class attendance in those sections – there is no such thing as 'make-up class attendance.'

ARRANGED QUIZZES (if relevant)

The most effective learning process has always been "two-way", whereby students commit themselves to class preparation and assignments, and contribute to class discussions. Hence, the arranged quizzes are organized to reward industrious students and motivate the average students to become regular with their private studies and class attendance.

CLASS PARTICIPATION

Even though the formal allocation of marks for participation is removed this semester, it seems students' responsibilities to prepare themselves and contribute through two-way communication with their respective instructor. It is sensible somehow if the respective instructor will penalize the passive classes to learn the topics within the text themselves.

PROJECT GRADING (if relevant)

Grading details will be provided at a later stage. Please note that projects written with poor grammar will be rejected and be deducted 3% of the total project score. The rewritten projects will be deducted another 2% if grammatical mistakes or syntax problems can still be located in the content of the project.

GROUP PROJECT (if relevant)

To help students develop a strong command of theories and analytical ability, a term group project involving the analysis of the environment impact and the formulation of marketing strategies for a hypothetical organization (type of organization and/or product will be assigned by instructors) is, among others, a partial requirement of the course.

All submitted assignments must have the following information on the first page:

1. Student's name and Admission Code No.
2. Course Name and Number
3. Section Number

Submission of the group project is on the last day of the class, unless it is otherwise specified by the instructor, and there will be no extension. All projects will have to be submitted at the School of Management Office (D Building, 6th Floor) on the announced date and time.

To avoid problems caused by uncooperative group members and late submission, it is vital for group members to select their project leader immediately after the project is assigned. The project leader should have full authority to set up and assign specific tasks to each individual member. Keep in mind that the project is the group's responsibility, and as such, its result is a group effort, and contributions of each member in the group is important. This, inevitably, is one of many tasks a student will have to perform in

order to prepare him/herself for more important challenges in their future career. (More suggestions for the group leader and effective teamwork are provided at the end of this syllabus).

CHANGING SECTION

Students are neither allowed to study in other section they have not enrolled for, nor do the project with their friends in other sections. The lecturer does not have any authority to allow his/her students to switch section without proper authorization from the registrar.

PRE- and POST-CLASS READINGS

Students must thoroughly read and understand topics that will be discussed in the following session, and if possible, try to read relevant articles found in periodicals, journals, and newspapers as questions related to such topics and/or articles might be occasionally asked in the class as well as examination, even though they are not discussed in the class.

LATE WITHDRAWAL

Last day to withdraw with “W” is the examination date. Students who would like to drop the subject on the subject’s final examination date **SHOULD NOT** enter the examination room and request for their late-withdrawal permission from the Dean or Department Chairperson and submit the request to the Office of the Registrar within three days after the date of the final examination.