

INVESTMENT

ASSIGNMENT MARKING RUBRIC

SEMESTER 2 2022



Question	Weight	Significantly above pass level	Above pass level	Pass level	Below pass level	Significantly below pass level
		5	4	3	2	1
Report writing	10%	<p>Presented in a report format for the portfolio managers at Pragmatic Investments including an introduction and a clear response to each question posed.</p> <p>The introduction summarises all information provided in the question.</p> <p>The body of the report clearly informs the portfolio managers of the outcomes of the analysis. Most paragraphs deal with a single theme.</p> <p>Report is no more than 2000 words and uses language that is always clear, concise, and appropriate for the portfolio managers.</p> <p>All sentences are complete and grammatical. All paragraphs deal with a single theme.</p> <p>All new or unusual terms are well-defined. Key concepts are accurately and completely explained.</p> <p>The writing has been spell-checked, has no errors.</p> <p>The candidate clearly has an excellent grasp of the concepts being assessed.</p>	<p>Presented in a report format for the portfolio managers including an introduction and a response to each question posed. Most paragraphs deal with a single theme.</p> <p>Report is no more than 2000 words and uses language that is clear, concise, and appropriate for the portfolio managers.</p> <p>All sentences are complete and grammatical. All paragraphs deal with a single theme.</p> <p>All new or unusual terms are well-defined. Key concepts are accurately and completely explained.</p> <p>The writing has been spell-checked, has no errors.</p> <p>The candidate has a good grasp of the concepts being assessed.</p>	<p>Presented in a report format. Most sentences are complete and grammatical. Some but not most paragraphs deal with a single theme.</p> <p>Most new or unusual terms are well-defined. Key concepts are explained.</p> <p>Report is no more than 2000 words.</p> <p>The document has a few spelling errors but the language is generally appropriate for the Portfolio Managers.</p> <p>An experienced reader can identify that the candidate has a grasp of the concepts, but the language used does not convey the information clearly in some cases.</p>	<p>Answers are not presented in a report format.</p> <p>Some key points are missing.</p> <p>A few sentences are incomplete and/or ungrammatical.</p> <p>Words are not chosen for their precise meaning.</p> <p>New or unusual terms are not well-defined. Key concepts are not explained sufficiently well.</p> <p>The document has several spelling errors and at times the language is not appropriate for the intended audience.</p> <p>It is not clear whether the candidate really understands the concepts being assessed.</p>	<p>Many sentences are incomplete and/or ungrammatical. The candidate does not indicate that key words have precise meanings. Some information presented is inaccurate.</p> <p>The document has many spelling errors and often the language is not appropriate for the intended audience.</p> <p>The candidate does not appear to understand the concepts being assessed.</p>





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		5	4	3	2	1
1	10%	Clearly explains why the chosen discounted cash flow model and the form of cash flow to be valued were selected and that the explanation of the choice was easy to understand.	Adequately explains why the chosen discounted cash flow model and the form of cash flow to be valued were selected.	Explains why the chosen discounted cash flow model and the form of cash flow to be valued were selected, but the explanation lacks clarity in places.	Does not fully explain why the chosen discounted cash flow model and the form of cash flow to be valued were selected and there is some misunderstanding of discounted cash flow models.	The candidate clearly does not understand discounted cash flow models.
2	10%	Clearly describes the assumptions that are required relating to the cash flow that is being valued and the discount rate used in the valuation. Supporting information should be provided for each assumption. Specific reference should be made to the future periods over which the cash flow components are being projected terminal discount rate and terminal growth rate and the importance of these assumptions.	Clearly describes most of the assumptions that are required relating to the cash flow that is being valued, the period over which the cash flow components are being projected, and the discount rate used in the valuation, with supporting information provided for each item described.	Demonstrates an understanding of the assumptions, the period over which the cash flow components are being projected, and the discount rate used in the valuation but description lacks clarity in some places or lacks supporting information for some items.	A material misunderstanding of one or more of the assumptions, the period over which the cash flow components need to be projected, or the discount rate that is required to be used in the valuation.	Unclear explanation and the candidate does not understand one or more of the assumptions, the period for projection of the components of cash flow, or the discount rate used in the valuation.
3	15%	Has clearly explained how the cash flows used in the valuation model have been derived from all of the information reports provided and any assumptions that have been made. Has described the relationship between information used and the line items in the DCF model.	Has explained how the cash flows used in the valuation model have been derived from almost all of the information reports provided and any assumptions that have been made.	Has mostly explained how the cash flows used in the valuation model have been derived from most of the information reports provided and any assumptions that have been made.	Student has used only some of the information reports provided in the question appropriately. Assumptions are not reasonable or are only partially explained,	Student has made limited use of only a few of the information reports provided. There is no explanation of most of the assumptions being made.



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		5	4	3	2	1
		Derivation of assumptions is clearly explained, logical and reasonable, such that the explanation was easy to understand.	Has described the relationship between information used and the line items in the DCF model. Derivation of assumptions is mostly clearly explained, logical and reasonable.	Has described the relationship between information used and the line items in the DCF model. Explanation is reasonable but could be clearer in places. Assumptions are reasonable but derivation and/or justification could be explained better.	Explanation of one or more material assumptions is missing.	
4	10%	Candidate has clearly and completely explained how they have taken into account the uncertainty relating to the cash flows being valued and how this has affected the valuation.	Student has mostly and reasonably clearly explained how they have taken into account the uncertainty relating to the cash flows being valued and how this has affected the valuation.	Student has mostly explained how they have taken into account the uncertainty of cash flows and how this has affected the valuation but the explanation is not clear.	Student has explained some of the ways used to take into account uncertainty of cash flows and how this affects the valuation but the explanation is not clear.	Student has not explained any of the ways used to take into account uncertainty of cash flows or how this affects the valuation.
5	15%	Candidate has clearly and completely explained how they have derived the discount rate used in the valuation, including the derivation of the terminal discount rate.	Candidate has mostly and reasonably clearly explained how they have derived the discount rate used in the valuation, including the derivation of the terminal discount rate.	Candidate has mostly explained how they have derived the discount rate used in the valuation, including the derivation of the terminal discount rate.	Candidate has a material misunderstanding of how to derive the discount rate used in the valuation or how to explain it.	Candidate has not explained how they have derived the discount rate used in the valuation.
6	10%	Candidate has clearly and completely described the sensitivity of the valuation of BHP shares to changes in the discount rate.	Candidate has mostly and reasonably clearly described the sensitivity of the valuation of BHP shares to changes in the discount rate.	Candidate has mostly described the sensitivity of the valuation of BHP to changes in the discount rate although the explanation could be improved.	Candidate gave a poor description of the sensitivity of the BHP valuation to changes in the discount rate.	Candidate did not describe the sensitivity of the valuation of BHP to changes in the discount rate.



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		5	4	3	2	1
7	10%	Clearly and logically prepared the valuation in spreadsheet form with either a scenario or sensitivity analysis on the valuation and showing the variations made in the assumptions and the effect on the valuation.	Prepared the valuation in spreadsheet form with either a scenario or sensitivity analysis on the valuation and showed most of the variations made in the assumptions and the effect on the valuation.	Prepared the valuation in spreadsheet form with either a scenario or sensitivity analysis on the valuation and showed some of the variations made in the assumptions and the effect on the valuation, but the presentation lacked some clarity or definition of terms.	A material misunderstanding of how to prepare a valuation with, either a scenario or sensitivity analysis on the valuation and there was insufficient explanation of the variations made in the assumptions and the effect on the valuation.	Either did not conduct the valuation in spreadsheet form or did not provide a scenario or sensitivity analysis on the valuation or did not provide an explanation of the variations made in the assumptions and the effect on the valuation.
8	10%	Clearly proposed a maximum price at which the BHP shares being valued should be bought and a minimum price at which they should be sold with the rationale, reasons or justification included in the proposal.	Proposed a maximum price at which the BHP shares being valued should be bought and a minimum price at which they should be sold but the rationale, reasons or justification included in the proposal were not clear.	Proposed a maximum price at which the BHP shares being valued should be bought and a minimum price at which they should be sold but did not provide a rationale, reasons, or justification.	A material misunderstanding of how to evaluate a maximum price at which the shares being valued should be bought and a minimum price at which they should be sold and did not make a clear recommendation	Did not evaluate a maximum price at which the shares being valued should be bought and a minimum price at which they should be sold and did not make a recommendation.
Total	100%					