**General Information**

Unit convenor and teaching staff
Peter Kavalamthara

Contact via peter.kavalamthara@mq.edu.au
By appointment via email

Moderator
Mehdi Sadeghi

Credit points
4

Prerequisites
ACST603 or AFIN858

Corequisites

Co-badged status

Unit description
This unit provides an overview of the operation of the capital markets in Australia. The financial institutions are described and the securities offered by these institutions are reviewed. Emphasis is placed on the financial instruments available to companies and investors from the equity, debt and derivative markets.

**Important Academic Dates**

Information about important academic dates including deadlines for withdrawing from units are available at [http://students.mq.edu.au/student_admin/enrolmentguide/academicdates/](http://students.mq.edu.au/student_admin/enrolmentguide/academicdates/)

**Learning Outcomes**

1. Distinguish between various sectors of the financial market and the nature of financial assets.
2. Identify the factors responsible for trends in regulation, the role of and the growth in the sources and uses of funds of the banking sector and non-bank financial institutions.
3. Critically evaluate the relative merits of short term and long term debt and changes in the supply and demand for particular debt securities.
4. Explain the characteristics of corporate funding sources and the processes involved in raising funds.
5. Analyse the role of futures and options in the management of risk by market participants.
6. Review the complex interactions between the banks, government and central bank.

General Assessment Information

Consultation: Teacher consultation times will be posted to iLearn.

Questions: Subject-related questions whose answer is useful to everyone should be posted to the iLearn discussion board. Questions of a personal nature can be sent to your teacher.

Extensions: No extensions will be granted to your assessments. Late tasks will be accepted up to 72 hours after the submission deadline. There will be a deduction of 20% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 40% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved.

Marks in gradebook: It is the responsibility of students to view their marks for each within-session-assessment on iLearn within 20 days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment tasks (not including the final exam mark) will not be addressed.

Assessment Tasks

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<tr>
<th>Name</th>
<th>Weighting</th>
<th>Due</th>
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<td>In-class Test</td>
<td>25%</td>
<td>Week 7</td>
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<tr>
<td>Group Assignment</td>
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<td>Final exam period</td>
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In-class Test

Due: **Week 7**
Weighting: **25%**

In-class Test (Week 7) 25%

The 90-minute In-class Test will cover topics from the first 6 weeks of lectures and the associated reading materials. You are expected to present yourself for the test in Lecture 7 at the enrolled time and place of your normal lecture.

This Assessment Task relates to the following Learning Outcomes:
- Distinguish between various sectors of the financial market and the nature of financial assets.
- Identify the factors responsible for trends in regulation, the role of and the growth in the sources and uses of funds of the banking sector and non-bank financial institutions.
- Explain the characteristics of corporate funding sources and the processes involved in raising funds.

**Group Assignment**

Due: **Week 11**  
Weighting: **25%**

Report worth 25% of the final mark. You should form a group of 3-4 members from your class in the first week of the lecture and elect a group leader. It is important for each group member to contribute substantially to the final submitted work. The responsibility of the group leader is to upload the report on behalf of the group to Turnitin on iLearn in week 11 (the cut-off point is 5pm Friday 22/5/15). All group members are equally responsible for the entire submitted assignment. The team leader is also expected to maintain a weekly journal, registering the contribution of each team member during the week. The Journal must be submitted with the assignment in week 11.

This Assessment Task relates to the following Learning Outcomes:
- Identify the factors responsible for trends in regulation, the role of and the growth in the sources and uses of funds of the banking sector and non-bank financial institutions.
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**Final Examination**

Due: **Final exam period**  
Weighting: **50%**

The final examination will be a 3-hour paper. All topics are examinable. To be awarded a passing grade in this unit (SNG of 50% or higher) a student must pass the final exam (attain a mark of 50% or higher). The timetable for this exam will be available in draft form approximately eight weeks before the commencement of the examinations and in final form approximately four weeks before the commencement of the examinations.

This Assessment Task relates to the following Learning Outcomes:
• Distinguish between various sectors of the financial market and the nature of financial assets.
• Identify the factors responsible for trends in regulation, the role of and the growth in the sources and uses of funds of the banking sector and non-bank financial institutions.
• Critically evaluate the relative merits of short term and long term debt and changes in the supply and demand for particular debt securities.
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Delivery and Resources

Classes

There are twelve lectures and one in-class Mid-Semester test conducted over thirteen weeks.

It is an assessment requirement of this unit that students attend classes.

Required text and/or materials

C. Viney, Financial Institutions, Instruments and Markets, McGraw-Hill, Seventh edition, 2013. The textbook may be purchased from the Macquarie University Co-op Bookshop, and students are advised to buy the book to improve their understanding of the lectures. Older versions will do just fine.

Technology Used and Required

Non-programmable calculators will be allowed in the mid-term test and the final exam. Students are advised to bring their calculators to class. You are expected to show all workings for your calculations. All calculations should be to two decimal places, and rounding should be left till the end. Excessive and premature rounding will be penalised.

Unit web page

The course material is available in http://ilearn.mq.edu.au. Students are advised to check the unit website regularly, and ensure that all material posted on the website can be accessed without difficulties. If you are unable to access any of the material on the website, check with your classmates first before notifying your lecturer of the problem.

Unit Schedule

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<th>Week Starting Monday</th>
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http://unitguides.mq.edu.au/unit_offers/51663/unit_guide/print
<table>
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<tr>
<th>Unit guide AFIN837 Capital Markets</th>
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<td><strong>Day</strong></td>
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Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central. Students should be aware of the following policies in particular with regard to Learning and Teaching:


In addition, a number of other policies can be found in the Learning and Teaching Category of Policy Central.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student_conduct/](https://students.mq.edu.au/support/student_conduct/)

Results

Results shown in iLearn, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in eStudent. For more information visit ask.mq.edu.au.

Supplementary Exam

Supplementary Exams Further information regarding supplementary exams, including dates, is available here [http://www.businessandecomics.mq.edu.au/current_students/undergraduate/how_do_i/special_consideration](http://www.businessandecomics.mq.edu.au/current_students/undergraduate/how_do_i/special_consideration)

Student Support

Macquarie University provides a range of support services for students. For details, visit [http://students.mq.edu.au/support/](http://students.mq.edu.au/support/)

Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- **Workshops**
- **StudyWise**
Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

**Learning outcomes**

- Distinguish between various sectors of the financial market and the nature of financial assets.
- Identify the factors responsible for trends in regulation, the role of and the growth in the sources and uses of funds of the banking sector and non-bank financial institutions.
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**Assessment tasks**

- In-class Test
- Final Examination
PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

**Learning outcomes**

- Distinguish between various sectors of the financial market and the nature of financial assets.
- Critically evaluate the relative merits of short term and long term debt and changes in the supply and demand for particular debt securities.
- Explain the characteristics of corporate funding sources and the processes involved in raising funds.
- Analyse the role of futures and options in the management of risk by market participants.

**Assessment tasks**

- In-class Test
- Group Assignment
- Final Examination

PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

**Learning outcomes**

- Distinguish between various sectors of the financial market and the nature of financial assets.
- Identify the factors responsible for trends in regulation, the role of and the growth in the sources and uses of funds of the banking sector and non-bank financial institutions.
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**Assessment tasks**

• In-class Test
• Group Assignment

**Changes from Previous Offering**

There have been no changes from the last offering.

**Research and Practice**

This unit gives you practice in applying research findings in your essay.