AFIN837

Capital Markets

S1 Evening 2019

Department of Applied Finance

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General Information

Unit convenor and teaching staff Coordinator Keith Woodward keith.woodward@mq.edu.au Refer to ilearn John Hotham john.hotham@mq.edu.au Refer to ilearn
Credit points 4
Prerequisites (ACST603 or AFIN858) or (admission to MAppFin or MAppFin(Adv))
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 https://www.mq.edu.au/study/calendar-of-dates

Learning Outcomes

On successful completion of this unit, you will be able to:

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.

Review the complex interactions between the banks, government and central bank.

Work productively in a group to undertake financial analysis.

General Assessment Information

Details: Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

Consultation: Teacher consultation times will be posted to iLearn.

Questions: Subject-related questions should be posted to the iLearn discussion board since the answers are then available for everyone to read. Questions placed here will be answered quickly. Questions of a personal nature can be sent to your teacher.

Marks in gradebook: It is the responsibility of students to view their marks for each within-session-assessment on iLearn within 20 working 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

Name	Weighting	Hurdle	Due
Self-assessment online test	0%	No	Week 3
Class test	35%	No	Week 9
Group assignment	15%	No	Week 11
Final examination	50%	No	Final exam period

Self-assessment online test

Due: **Week 3**
Weighting: **0%**

Task Description: Please use this assessment task as an indicator of whether you are progressing satisfactorily in the unit. If you are having difficulties, please see your teacher and consider withdrawing before the census date. **Type of Collaboration:** Individual **Submission:** No submission, self-test at home **Format:** Multiple choice **Length:** Refer to ilearn **Inherent Task Requirements:** Refer to ilearn **Late Submission:** No submission required
On successful completion you will be able to:

- 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.

Class test

Due: **Week 9**
Weighting: **35%**

Task Description:
Students will sit an invigilated in-class test which will cover topics from the prior weeks' lectures, associated reading materials and the assignment.

A number of questions in the test will cover topics closely related to the group assignment in order to examine the 50% individual's performance in the total assignment mark. So it is important that you have made substantial progress on your group assignment by this time.

Further details will be provided on the iLearn website.

Type of Collaboration: Individual **Submission:** In-class **Format:** Multiple choice test, 50 questions. **Length:** 90 minutes **Inherent Task Requirements:** Refer to ilearn **Late Submission:** No extensions will be granted. Students who do not sit the test will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved
On successful completion you will be able to:

- 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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- Review the complex interactions between the banks, government and central bank.

Group assignment

Due: **Week 11**
Weighting: **15%**

Task Description:
Group assignment.

You should form a group of 2-4 members from you class in the first few weeks 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 by the due date. 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 on the last page.

Type of Collaboration: Group of 2-4 people **Submission:** Electronically via ilearn **Format:**

Refer to ilearn **Length:** Refer to ilearn **Inherent Task Requirements:** Refer to ilearn **Late Submission:** No extensions will be granted. There will be a deduction of 10% 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 – 20% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved. No submission will be accepted after solutions have been posted.

On successful completion you will be able to:

- 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.
- Review the complex interactions between the banks, government and central bank.
- Work productively in a group to undertake financial analysis.

Final examination

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

Task Description:
Examination.

All topics are examinable. You are permitted one A4 page of paper containing hand-written reference material printed on both sides. The page will not be returned to you at the end of the final examination.

Type of Collaboration: Individual **Submission:** During examination period **Format:** Multiple choice and short answer questions **Length:** 2 hours **Inherent Task Requirements:** Refer to ilearn **Late Submission:** No extensions will be granted. Students who do not sit the test will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved
On successful completion you will be able to:

- 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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Delivery and Resources

Classes

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

The timetable for classes can be found on the University web site at:http://www.timetables.mq.edu.au/

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 use 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

Unit Schedule

Week	**Date** (Monday)	**Topic**	**Textbook chapters**
1	25.2.19	A modern financial system.	1
2	4.3.19	Commercial banks.	2
3	11.3.19	Non-bank financial institutions.	3
4	18.3.19	The share market and corporations. Census date 21 March 2019.	4
5	25.3.19	Issuing new equity & investing in the share market.	5, and Ch.6 sections1-3
6	1.4.19	Performance measurement, share pricing & forecasting in equity market.	6 sections 4-6, and Ch.7

7	8.4.19	Short-term debt.	9
Break		Mid-semester break from Monday 15.04.19 to Friday 26.04.19	
8	29.4.19	Medium-to-long term debt.	10
9	6.5.19	**In-class test (35%)** covering Ch.1 to 10, plus questions related to the assignment.	
10	13.5.19	Futures contracts and forward rate agreements.	19
11	20.5.19	Options. **Assignment due (15%).**	20
12	27.5.19	Government debt, monetary policy, and the payments system.	12
13	3.6.19	An introduction to interest rate determination and forecasting.	13

Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- Academic Appeals Policy
- Academic Integrity Policy
- Academic Progression Policy
- Assessment Policy
- Fitness to Practice Procedure
- Grade Appeal Policy
- Complaint Management Procedure for Students and Members of the Public
- Special Consideration Policy *(**Note:** The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.)*

Undergraduate students seeking more policy resources can visit the Student Policy Gateway (https://students.mq.edu.au/support/study/student-policy-gateway). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit Policy Central (https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/student-conduct

Results

Results published on platform other than eStudent, (eg. iLearn, Coursera etc.) 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 or if you are a Global MBA student contact globalmba.support@mq.edu.au

Supplementary exams

Information regarding supplementary exams, including dates, is available at:

http://www.businessandeconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies

Student Support

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

Learning Skills

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

- Workshops
- StudyWise
- Academic Integrity Module for Students
- Ask a Learning Adviser

Student Services and Support

Students with a disability are encouraged to contact the Disability Service who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

If you are a Global MBA student contact globalmba.support@mq.edu.au

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the Acceptable Use of IT Resources Policy.

The policy applies to all who connect to the MQ network including students.

Graduate Capabilities

PG - Discipline Knowledge and Skills

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.
- Explain the characteristics of corporate funding sources and the processes involved in raising funds.
- Review the complex interactions between the banks, government and central bank.
- Work productively in a group to undertake financial analysis.

Assessment tasks

- 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.
- Explain the characteristics of corporate funding sources and the processes involved in raising funds.
- Work productively in a group to undertake financial analysis.

Assessment tasks

- 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.
- Explain the characteristics of corporate funding sources and the processes involved in raising funds.
- Work productively in a group to undertake financial analysis.

Assessment tasks

- Self-assessment online test
- Class test
- Group assignment

Research and Practice

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