



# AFIN8037

## Capital Markets

Session 2, Special circumstance 2020

*Department of Applied Finance*

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### Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

### Notice

As part of [Phase 3 of our return to campus plan](#), most units will now run tutorials, seminars and other small group learning activities on campus for the second half-year, while keeping an online version available for those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face and online activities for your unit, please go to [timetable viewer](#). To check detailed information on unit assessments visit your unit's iLearn space or consult your unit convenor.

## General Information

Unit convenor and teaching staff Unit Convenor Keith Woodward <a href="mailto:keith.woodward@mq.edu.au">keith.woodward@mq.edu.au</a>
Credit points 10
Prerequisites (Admission to MAppFin or MAppFin(Adv) or MFin or MActPrac) or (ACST603 or ACST6003 or AFIN858)
Corequisites
Co-badged status
Unit description This unit provides an overview of the operation of the capital markets with evidence from Australian and international markets. 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:

**ULO1:** Distinguish between various sectors of the financial market and the nature of financial assets.

**ULO2:** 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.

**ULO3:** Explain the characteristics of corporate funding sources and the processes involved in raising funds.

**ULO4:** Review the complex interactions between the banks, government and central bank.

**ULO5:** Work productively in a group to undertake financial analysis.

## General Assessment Information

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

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.

### Late submissions and extensions

Tasks 10% or less – No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

Tasks above 10% - 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.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Online Mid Session Test</u>	30%	No	6pm Thursday 8 October
<u>Group Assignment</u>	20%	No	Midnight Sunday 25 October
<u>Final Examination</u>	50%	No	During University Examination Period

### Online Mid Session Test

Assessment Type <sup>1</sup>: Quiz/Test

Indicative Time on Task <sup>2</sup>: 16 hours

Due: **6pm Thursday 8 October**

Weighting: **30%**

A 1.5 hour open book online test will be held.

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.

## Group Assignment

Assessment Type <sup>1</sup>: Report

Indicative Time on Task <sup>2</sup>: 15 hours

Due: **Midnight Sunday 25 October**

Weighting: **20%**

The assignment will cover quantitative and qualitative analysis of a finance scenario or problem. Students will be required to produce a report of 1,500-2,000 words.

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

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **During University Examination Period**

Weighting: **50%**

A two hour open book online exam will be held during the University Examination Period.

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.

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<sup>1</sup> If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

<sup>2</sup> Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

## Delivery and Resources

### Classes

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

### Recommended text

C. Viney, Financial Institutions, Instruments and Markets, McGraw-Hill, Seventh edition, 2013. This is available for purchase online from [www.booktopia.com.au/coop](http://www.booktopia.com.au/coop) and students are advised to use the book to improve their understanding of the lectures. Older versions will do just fine.

### Unit web page

The course material is available at <https://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

Week	Date (Monday)	Topic	Textbook chapters
1	27 Jul	A modern financial system.	1
2	3 Aug	Commercial banks.	2

3	10 Aug	Non-bank financial institutions.	3
4	17 Aug	The share market and corporations. <u>Census date</u> 20 August 2020.	4
5	24 Aug	Issuing new equity & investing in the share market.	5, and Ch.6 sections1-3
6	31 Aug	Performance measurement, share pricing & forecasting in equity market.	6 sections 4-6, and Ch.7
7	7 Sep	Short-term debt.	9
Break		Monday 14 September to Friday 25 September.	
8	28 Sep	Medium-to-long term debt.	10
9	5 Oct	<b>In-class test (30%)</b> covering topics 1 to 8, plus questions related to the assignment.	
10	12 Oct	Futures contracts and forward rate agreements.	19
11	19 Oct	Options. <b>Assignment due (20%)</b> .	20
12	26 Oct	Government debt, monetary policy, and the payments system.	12
13	2 Nov	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.*)

Students seeking more policy resources can visit the Student Policy Gateway (<https://students.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>).

[mq.edu.au/support/study/student-policy-gateway](http://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](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://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](http://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

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

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

## 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](http://ask.mq.edu.au)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto: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/](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.