



AFCP8101

Financial System, Participants and Instruments

Term 4, Infrequent attendance, City 2021

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.

Session 2 Learning and Teaching Update

The decision has been made to conduct study online for the remainder of Session 2 for all units WITHOUT mandatory on-campus learning activities. Exams for Session 2 will also be online where possible to do so.

This is due to the extension of the lockdown orders and to provide certainty around arrangements for the remainder of Session 2. We hope to return to campus beyond Session 2 as soon as it is safe and appropriate to do so.

Some classes/teaching activities cannot be moved online and must be taught on campus. You should already know if you are in one of these classes/teaching activities and your unit convenor will provide you with more information via iLearn. If you want to confirm, see the list of [units with mandatory on-campus classes/teaching activities](#).



Visit the [MQ COVID-19 information page](#) for more detail.

General Information

Unit convenor and teaching staff

Shane Magee

shane.magee@mq.edu.au

Contact via Email

Credit points

10

Prerequisites

Admission to Master of Applied Finance or Graduate Diploma of Applied Finance

Corequisites

Co-badged status

Unit description

This unit assesses the structure, instruments and participants in the Financial System. It covers the theory and practical application of financial instruments including debt, equity, hybrids and derivatives. It also articulates the roles and objectives of participants in the system, social contracts and regulation.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://students.mq.edu.au/important-dates>

Learning Outcomes

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

ULO1: Evaluate concepts and models used by various financial market participants and apply relevant concepts and models to meet participants needs and actual business situations.

ULO2: Assess financial products and instruments and construct sound and justifiable solutions that meet the requirements of financial market participants.

ULO3: Develop solutions for financing issues using appropriate models and financial data sources.

General Assessment Information

Assessment criteria (including information about late submissions and extensions) for all

assessment tasks will be provided on the unit iLearn site.

Assessment Tasks

| Name | Weighting | Hurdle | Due |
|----------------------------------|-----------|--------|-----------------------------------------------------------|
| Assignment | 40% | No | 7 Nov |
| Class activities | 20% | No | Online quizzes due: 26 Sep, 3 Oct, 10 Oct, 17 Oct, 12 Nov |
| Final assessment | 40% | No | University examination period |

Assignment

Assessment Type ¹: Case study/analysis

Indicative Time on Task ²: 30 hours

Due: **7 Nov**

Weighting: **40%**

Assessment of finance transactions. Individual task up to 4,000 words.

On successful completion you will be able to:

- Assess financial products and instruments and construct sound and justifiable solutions that meet the requirements of financial market participants.
- Develop solutions for financing issues using appropriate models and financial data sources.

Class activities

Assessment Type ¹: Participatory task

Indicative Time on Task ²: 20 hours

Due: **Online quizzes due: 26 Sep, 3 Oct, 10 Oct, 17 Oct, 12 Nov**

Weighting: **20%**

Tasks set with online classes including quizzes, online or recorded presentations, learning portfolio, analytical tasks and participation.

On successful completion you will be able to:

- Evaluate concepts and models used by various financial market participants and apply relevant concepts and models to meet participants needs and actual business situations.
- Assess financial products and instruments and construct sound and justifiable solutions that meet the requirements of financial market participants.

Final assessment

Assessment Type ¹: Practice-based task

Indicative Time on Task ²: 20 hours

Due: **University examination period**

Weighting: **40%**

A time-constrained task based on scenarios.

On successful completion you will be able to:

- Evaluate concepts and models used by various financial market participants and apply relevant concepts and models to meet participants needs and actual business situations.
- Assess financial products and instruments and construct sound and justifiable solutions that meet the requirements of financial market participants.
- Develop solutions for financing issues using appropriate models and financial data sources.

¹ 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 [Learning Skills Unit](#) for academic skills support.

² 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

Recommended Text

McDonald, R.L., 2013, Derivatives Markets, Pearson New International Edition, 3rd Edition, Pearson, ISBN 9781292021256

The Pearson New International Edition is based on the U.S. 3rd Edition ISBN 9781292021256

For information on textbook prices and online ordering, please refer to Pearson's at <https://www.pearson.com.au/products/detail?isbn=9781292021256>

Useful References

Bodie, Z., Kane, A., and Marcus, A.J., 2014, Investments, 11th edition, McGraw Hill.

McDonald, R.L., 2009, Fundamentals of Derivatives Markets, Pearson.

Viney, C., and Phillips, P.J., 2019, Financial Institutions, Instruments & Markets.

Learning and Teaching Activities

Strategy: Programs in the Applied Finance Centre adopt a deep teaching and learning strategy in which students acquire and retain knowledge and also are able to make sense of the issues and concepts and apply them in the “real world”. The program relies heavily on student engagement and participation by: (a) Continuous learning throughout the term. This is encouraged through a combination of students undertaking prescribed reading throughout the units and/or completion of practice problems, online activities, case studies, assignments, class discussions, etc and interaction via forums; and (b) Assessments, which enable the student to demonstrate his/her understanding of the learning objectives achieved through the continuous learning.

Student Participation: This is blended unit where students need to complete assigned activities before live Zoom sessions and block teaching. Students participate in this unit by: (a) Actively engaging with the videos and required readings of this unit; (b) Working systematically through and completing online activities; (c) Interacting in forums; and (d) Completing all assessment tasks.

Unit Schedule

| Week | Topic | Session Details |
|------|------------------------------------------|------------------------------------------------------------------------------------------------|
| 1 | Introduction | Zoom webinar: 22 Sep 7:00pm - 8:30pm |
| 2 | Valuation, risk and return | Zoom webinar: 29 Sep 7:00pm - 8:30pm |
| 3 | The building block financial instruments | Zoom webinar: 6 Oct 7:00pm - 8:30pm |
| 4 | Pricing forwards, futures and options | Zoom webinar: 13 Oct 7:00pm - 8:30pm |
| 5 | Applications and further option pricing | Block Weekend: 23 Oct 10:00am - 3:00pm; 24 Oct 10:00am - 3:00pm Attendance: Online via Zoom |
| 6 | Assignment preparation | Zoom webinar: 27 Oct 7:00pm - 8:30pm |

| | | |
|----|-------------------------------------|------------------------------------------------------------------------------------------------|
| 7 | Debt and swap markets: Introduction | Zoom webinar: 3 Nov 7:00pm - 8:30pm |
| 8 | Debt and swap markets: Applications | Block Weekend: 13 Nov 10:00am - 3:00pm; 14 Nov 10:00am - 3:00pm Attendance: Online via Zoom |
| 9 | Revision | |
| 10 | Revision | Zoom webinar: 24 Nov 7:00pm - 8:30pm |
| 11 | Exam week | |

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](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 \(https://students.mq.edu.au/support/study/student-policy-gateway\)](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 \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](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/admin/other-resources/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

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 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 Enquiry Service

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

Equity 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.

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.

Changes since First Published

| Date | Description |
|------------|-----------------------------------------------------------|
| 23/08/2021 | Attendance for block weekends changed to online via Zoom. |