



# AFIN8037

## Capital Markets

Term 1, In person-scheduled-intensive, North Ryde 2022

*Department of Applied Finance*

## Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	6
<u>Unit Schedule</u>	6
<u>Policies and Procedures</u>	8
<u>Changes from Previous Offering</u>	9

### Disclaimer

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## General Information

Unit convenor and teaching staff Unit Convenor Damian Bridge <a href="mailto:damian.bridge@mq.edu.au">damian.bridge@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

### Late submissions of assessments

Unless a Special Consideration request has been submitted and approved, no extensions will be granted. There will be a deduction of 10% of the total available assessment-task marks made from the total awarded mark for each 24-hour period or part thereof that the submission is late. Late submissions will only be accepted up to 96 hours after the due date and time.

No late submissions will be accepted for timed assessments – e.g., quizzes, online tests.

**Table 1: Penalty calculation based on submission time**

Submission time after the due date (including weekends)	Penalty (% of available assessment task mark)	Example: for a non-timed assessment task marked out of 30
< 24 hours	10%	10% x 30 marks = 3-mark deduction
24-48 hours	20%	20% x 30 marks = 6-mark deduction
48-72 hours	30%	30% x 30 marks = 9-mark deduction
72-96 hours	40%	40% x 30 marks = 12-mark deduction
> 96 hours	100%	Assignment won't be accepted

### Special Consideration

To request an extension on the due date/time for a timed or non-timed assessment task, you must submit a Special Consideration application. An application for Special Consideration does not guarantee approval.

The approved extension date for a student becomes the new due date for that student. The late submission penalties above then apply as of the new due date

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Online Quiz</u>	0%	No	Saturday 22nd January
<u>Mid Session Test</u>	20%	No	Friday 28th January
<u>Group Assignment</u>	20%	No	Wednesday 16th February 5pm

Name	Weighting	Hurdle	Due
<u>Final Examination</u>	60%	No	Saturday 19th February

## Online Quiz

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

Indicative Time on Task <sup>2</sup>: 1 hours

Due: **Saturday 22nd January**

Weighting: **0%**

The online quiz will consist of 5 to 10 questions and will be available on iLearn. Please use the quiz result as an indicator of whether you are progressing satisfactorily in the unit.

On successful completion you will be able to:

- Distinguish between various sectors of the financial market and the nature of financial assets.
- Review the complex interactions between the banks, government and central bank.

## Mid Session Test

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

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

Due: **Friday 28th January**

Weighting: **20%**

A mid session test of one hour will be held during the session.

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: **Wednesday 16th February 5pm**

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: **Saturday 19th February**

Weighting: **60%**

A two hour 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.

<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

All lectures will be recorded and made available to students in the beginning of the week.

Online interactive sessions to be held on the following dates and time (Sydney time):

- Wed 12 Jan 2022, 5-6pm
- Wed 19 Jan 2022, 5-7pm
- Wed 26 Jan 2022, 5-7pm
- Sun 6 Feb 2022, 5-7pm
- A revision session to be held in the week commencing 7 Feb. Date and time will be confirmed later

### Recommended text

C. Viney, *Financial Institutions, Instruments and Markets*, McGraw-Hill, *Ninth Edition*, 2019. Students are advised to use the book to improve their understanding of the lectures. Older versions are also 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

Topic	Week Beginning	Topic	Textbook Chapters
1	10 <sup>th</sup> January	A modern financial system.	1
2	10 <sup>th</sup> January	Commercial banks.	2

<b>Online Class Wednesday 12 January 5pm</b>			
3	17 <sup>th</sup> January	Non-bank financial institutions.	3
4	17 <sup>th</sup> January	The share market and corporations.	4
5	17 <sup>th</sup> January	Issuing new equity & investing in the share market.	5, and Ch.6 sections1-3
<b>Online Class Wednesday 19 January 5pm</b>			
<b>Online Quiz – 0% - Saturday 22<sup>nd</sup> January</b>			
6	24 <sup>th</sup> January	Performance measurement, share pricing & forecasting in equity market.	6 sections 4-6, and Ch.7
7	24 <sup>th</sup> January	Short-term debt.	9
8	24 <sup>th</sup> January	Medium-to-long term debt.	10
<b>Online Class Wednesday 26 January 5pm</b>			
9	24 <sup>th</sup> January	<b>Mid session test (20%)</b> covering topics 1 to 8.	
<b>Mid Session Test – 20% - Friday 28<sup>th</sup> January</b>			
10	31 <sup>st</sup> January	Futures contracts and forward rate agreements.	19
11	31 <sup>st</sup> January	Options.	20
<b>Online Class Sunday 6<sup>th</sup> February 5pm</b>			
12	7 <sup>th</sup> February	Government debt, monetary policy, and the payments system.	12
13	7 <sup>th</sup> February	An introduction to interest rate determination and forecasting.	13
<b>Online Class Sunday 13<sup>th</sup> February 5pm</b>			
<b>Group Assignment Due Wednesday 16<sup>th</sup> February 5pm</b>			
<b>Final Exam Saturday 19<sup>th</sup> February</b>			

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au). 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](#)
- [Assessment Procedure](#)
- [Complaints Resolution Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#)

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

To find other policies relating to Teaching and Learning, visit [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au) and use the [search tool](#).

## 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](https://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

## Student Support

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



## The Writing Centre

The Writing Centre provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the 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

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault
- [Social support including information about finances, tenancy and legal issues](#)

## Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

## 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.

## Changes from Previous Offering

Updated textbook to the newest version.