AFIN8037
Capital Markets
Term 1, In person-scheduled-intensive, North Ryde 2022
Department of Applied Finance

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Notice
As part of Phase 3 of our return to campus plan, most units will now run tutorials, seminars and other small group activities on campus, and most will keep an online version available to those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face 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
Damian Bridge
damian.bridge@mq.edu.au

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**

<table>
<thead>
<tr>
<th>Submission time after the due date (including weekends)</th>
<th>Penalty (% of available assessment task mark)</th>
<th>Example: for a non-timed assessment task marked out of 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 24 hours</td>
<td>10%</td>
<td>10% x 30 marks = 3-mark deduction</td>
</tr>
<tr>
<td>24-48 hours</td>
<td>20%</td>
<td>20% x 30 marks = 6-mark deduction</td>
</tr>
<tr>
<td>48-72 hours</td>
<td>30%</td>
<td>30% x 30 marks = 9-mark deduction</td>
</tr>
<tr>
<td>72-96 hours</td>
<td>40%</td>
<td>40% x 30 marks = 12-mark deduction</td>
</tr>
<tr>
<td>&gt; 96 hours</td>
<td>100%</td>
<td>Assignment won’t be accepted</td>
</tr>
</tbody>
</table>

**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**

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Quiz</td>
<td>0%</td>
<td>No</td>
<td>Saturday 22nd January</td>
</tr>
<tr>
<td>Mid Session Test</td>
<td>20%</td>
<td>No</td>
<td>Friday 28th January</td>
</tr>
<tr>
<td>Group Assignment</td>
<td>20%</td>
<td>No</td>
<td>Wednesday 16th February 5pm</td>
</tr>
<tr>
<td>Name</td>
<td>Weighting</td>
<td>Hurdle</td>
<td>Due</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------</td>
<td>--------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Final Examination</td>
<td>60%</td>
<td>No</td>
<td>Saturday 19th February</td>
</tr>
</tbody>
</table>

**Online Quiz**

Assessment Type: Quiz/Test

Indicative Time on Task: 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: Quiz/Test

Indicative Time on Task: 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 1: Report
Indicative Time on Task 2: 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 1: Examination
Indicative Time on Task 2: 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.

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**

**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**


**Unit web page**

The course material is available at [https://ilearn.mq.edu.au](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**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Week Beginning</th>
<th>Topic</th>
<th>Textbook Chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10th January</td>
<td>A modern financial system.</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>10th January</td>
<td>Commercial banks.</td>
<td>2</td>
</tr>
<tr>
<td>Date</td>
<td>Topic</td>
<td>Reference</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------</td>
<td></td>
</tr>
<tr>
<td>3 17th Jan</td>
<td>Non-bank financial institutions.</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4 17th Jan</td>
<td>The share market and corporations.</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5 17th Jan</td>
<td>Issuing new equity &amp; investing in the share market.</td>
<td>5, and Ch.6 sections 1-3</td>
<td></td>
</tr>
<tr>
<td>6 24th Jan</td>
<td>Performance measurement, share pricing &amp; forecasting in equity market.</td>
<td>6 sections 4-6, and Ch.7</td>
<td></td>
</tr>
<tr>
<td>7 24th Jan</td>
<td>Short-term debt.</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>8 24th Jan</td>
<td>Medium-to-long term debt.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>9 24th Jan</td>
<td>Mid session test (20%) covering topics 1 to 8.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 31st Jan</td>
<td>Futures contracts and forward rate agreements.</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>11 31st Jan</td>
<td>Options.</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>12 7th Feb</td>
<td>Government debt, monetary policy, and the payments system.</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>13 7th Feb</td>
<td>An introduction to interest rate determination and forecasting.</td>
<td>13</td>
<td></td>
</tr>
</tbody>
</table>

**Mid Session Test – 20% - Friday 28th January**

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>11 31st Jan</td>
<td>Options.</td>
<td>20</td>
</tr>
</tbody>
</table>

**Online Class Sunday 6th February 5pm**

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 7th Feb</td>
<td>Government debt, monetary policy, and the payments system.</td>
<td>12</td>
</tr>
<tr>
<td>13 7th Feb</td>
<td>An introduction to interest rate determination and forecasting.</td>
<td>13</td>
</tr>
</tbody>
</table>

**Final Exam Saturday 19th February**
Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (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
- Grade Appeal Policy
- Complaint Management 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). 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) 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 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/

The Writing Centre

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

- Getting help with your assignment
- Workshops
- Chat with a WriteWISE peer writing leader
Unit guide AFIN8037 Capital Markets

- 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 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 from Previous Offering
Updated textbook to the newest version.