



AFIN8037

Capital Markets

Session 2, In person-scheduled-weekday, North Ryde 2022

Department of Applied Finance

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General Information

Unit convenor and teaching staff

Unit Convenor

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Fan Yu

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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 Assessment Submission Penalty (written assessments)

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of '0' will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55pm. A 1-hour grace period is provided to students who experience a technical concern.

For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to submit an application for [Special Consideration](#).

Assessment Tasks

Name	Weighting	Hurdle	Due
Online Quiz	0%	No	Week 4
Mid Session Test	20%	No	Week 8
Group Assignment	20%	No	Week 12
Final Examination	60%	No	University Examination Period

Online Quiz

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 1 hours

Due: **Week 4**

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 ¹: Quiz/Test

Indicative Time on Task ²: 15 hours

Due: **Week 8**

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: **Week 12**

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: **University Examination Period**

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 [Writing Centre](#) 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

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, *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

Week	Week Beginning	Topic	Textbook chapters
1	25 July	A modern financial system.	1
2	1 August	Commercial banks.	2
3	8 August	Non-bank financial institutions.	3
4	15 August	The share market and corporations.	4
5	22 August	Issuing new equity & investing in the share market.	5, and Ch.6 sections1-3
6	29 August	Performance measurement, share pricing & forecasting in equity market.	6 sections 4-6, and Ch.7
7	5 September	Short-term debt.	9
Break		Mid Session Break	
8	26 September	Mid session test covering topics 1 to 7.	
9	3 October	Medium to long term debt	10
10	10 October	Futures contracts and forward rate agreements.	19
11	17 October	Options.	20
12	24 October	Government debt, monetary policy, and the payments system.	12
13	31 October	An introduction to interest rate determination and forecasting.	13

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 or if you are a Global MBA student contact 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/.

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

Mid session test moved from week 9 to week 8.