



ECON2035

The Economics of Financial Institutions

Session 2, Online-scheduled-weekday 2022

Department of Economics

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General Information

Unit convenor and teaching staff
Unit Convenor and Lecturer
Ha Vu
ha.vu@mq.edu.au
Contact via ha.vu@mq.edu.au
Tuesday 11-12 and by appointment

Credit points
10

Prerequisites
50cp at 1000 level or above including ECON110 or ECON111 or ECON1020

Corequisites

Co-badged status

Unit description
This unit provides an overview of the Australian and global financial systems and the management of financial institutions. Topics may include: the objectives and performance of financial institutions; risks and their controls; asset and liability management; credit evaluation; capital adequacy and regulations; informal money lenders and microfinance institutions; and shadow banking. The unit pays particular attention to the events and circumstances that, in recent times, have caused great difficulties in the financial sector, as well as the lessons learnt as a consequence.

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: Identify and describe aspects in the operation and management of banks, and other types of financial institutions.

ULO2: Identify, define and analyse problems associated with financial markets and recommend creative solutions within real-world constraints.

ULO3: Demonstrate a capacity to work independently, including the ability to research, form challenging and coherent arguments, and write short-discussion pieces.

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
Weekly Online Discussion	20%	No	Weekly starting Week 2
Online Test	30%	No	Week 7 Tuesday 06 Sep 2022
Final Examination (online)	50%	No	University Examination Period

Weekly Online Discussion

Assessment Type ¹: Participatory task

Indicative Time on Task ²: 30 hours

Due: **Weekly starting Week 2**

Weighting: **20%**

Every week, students are required to post their response to the discussion question in iLearn.

On successful completion you will be able to:

- Identify and describe aspects in the operation and management of banks, and other types of financial institutions.
- Identify, define and analyse problems associated with financial markets and recommend creative solutions within real-world constraints.
- Demonstrate a capacity to work independently, including the ability to research, form challenging and coherent arguments, and write short-discussion pieces.

Online Test

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 3 hours

Due: **Week 7 Tuesday 06 Sep 2022**

Weighting: **30%**

A one-hour test will be held in week 7.

On successful completion you will be able to:

- Identify and describe aspects in the operation and management of banks, and other types of financial institutions.
- Identify, define and analyse problems associated with financial markets and recommend creative solutions within real-world constraints.

Final Examination (online)

Assessment Type ¹: Examination

Indicative Time on Task ²: 42 hours

Due: **University Examination Period**

Weighting: **50%**

A two-hour online examination (open book) will be held during the University Examination period.

On successful completion you will be able to:

- Identify and describe aspects in the operation and management of banks, and other types of financial institutions.
- Demonstrate a capacity to work independently, including the ability to research, form challenging and coherent arguments, and write short-discussion pieces.

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

Each week, there will be a **pre-recorded lecture** posted on the unit iLearn page, along with the lecture slides.

Starting in Week 2, there will be **one-hour tutorial class (via zoom) on Tuesday 2-3pm or Tuesday 7-8pm** to discuss questions regarding the lecture topics.

All materials for the unit, such as pre-recording lectures, lecture notes, readings, and discussion questions will be available to students on the unit iLearn site at <http://ilearn.mq.edu.au>. Students are strongly encouraged to check the unit iLearn page weekly for announcements as well as the unit schedule, additional readings, assessment information, and discussion questions.

There is **no prescribed textbook** for Econ2035. You are highly recommended to check ilearn regularly for the updates of readings posted.

Recommended Texts and/or Materials

(i) Kidwell, D. et al. 2019, Financial Markets, Institutions and Money (4th edn), Australian Edition, John Wiley & Sons Australia.

(ii) Madura, J. 2018, Financial Markets and Institutions (12th edn), Cengage Learning,

(iii) Calomiris and Haber, 2014, Fragile by Design - The political origins of banking crises and scarce credit

Other useful resources:

www.wsj.com

www.ft.com

www.bloomberg.com

www.theeconomist.com

www.rba.gov.au

www.bis.org

Technology Used and Required

iLearn; i-Lecture

Unit Schedule

Throughout the session, we will be looking at the following 10 topics:

1	An Overview of Financial Institutions, Risks and Regulations
2	The Theoretical Rationale of Financial Institutions

3	Liabilities Management
4	Credit risk Management
5	Securities Portfolio Management
6	Interest Rate Risk Management
7	Liquidity Management
8	Capital Management
9	Financial Institutions in Less Developed countries
10	Managing Financial Crises

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.