ECON2035

Financial Institutions

Session 2, Online-scheduled-In person assessment, North Ryde 2026

Department of Economics

Contents

General Information

Unit convenor and teaching staff Unit Convenor & Lecturer Ha Vu ha.vu@mq.edu.au Room 426 4 Eastern Road Please check ilearn
Credit points 10
Prerequisites ECON1020 or ECON1021 or ACST1001 or (10cp from COMP, ENGG, FOSE, MATH or STAT units at 1000 level)
Corequisites
Co-badged status
Unit description This unit provides an overview of current operations of the Australian and global financial systems and the management of financial institutions. The unit also covers financial sector crises and the lessons learnt. 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.

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 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 contexts.

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 Submission Penalties

If you submit your assessment late, 5% of the total possible marks will be deducted for each day (including weekends), up to 7 days. Submissions more than 7 days late will receive a mark of 0.

Example 1 (out of 100):

If you score 85/100 but submit **20 hours late**, you will lose **5 marks** and receive **80/100**.

Example 2 (out of 30):

If you score 27/30 but submit **20 hours late**, you will lose **1.5 marks** and receive **25.5/30**.

Extensions

Automatic short extension: Some assessments are eligible for automatic short extension. You can only apply for an automatic short extension before the due date.

Special Consideration: If you need more time due to serious issues and for any assessments that are not eligible for Short Extension, you must apply for Special Consideration. Need help? Review the Special Consideration page for further details.

Assessment Tasks

Name	Weighting	Hurdle	Due	Groupwork/Individual	Short Extension	AI Approach
Professional practice: Financial analysis	25%	No	14/09/2026	Individual	Yes	Open AI
Skills development: Critical thinking	25%	No	Week 11 in tutorial	Group	No	Observed
Formal examination	50%	No	During the University examination period	Individual	No	Observed

Professional practice: Financial analysis

Assessment Type [1]: Professional task
Indicative Time on Task [2]: 25 hours
Due: **14/09/2026**
Weighting: **25%**
Groupwork/Individual: Individual
Short extension [3]: Yes
AI Approach: Open AI

The purpose of this assessment is for you to practice how to investigate issues related to the financial industry, and to construct a persuasive argument.

You will work independently to express your discipline understanding as well as to apply the knowledge in real-world scenarios.

Skills in focus:

- Critical thinking and problem solving
- Communication skills
- Discipline knowledge
- Work readiness

Deliverable(s): Written submission [max 1600 words]

Individual assessment

On successful completion you will be able to:

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

Skills development: Critical thinking

Assessment Type [1]: Presentation task
Indicative Time on Task [2]: 20 hours
Due: **Week 11 in tutorial**
Weighting: **25%**
Groupwork/Individual: Group
Short extension [3]: No
AI Approach: Observed

The purpose of this assessment is for you to work collaboratively and develop expertise in crafting solutions to real-world related issues.

You will work in teams to examine real-world scenarios and produce a presentation in which all group members must present a part.

Skills in focus:

- Critical thinking and problem solving
- Communication skills

- Digital skills
- Collaboration skills
- Work readiness

Deliverable(s): Presentation (max 5 min) per student

Group assessment

On successful completion you will be able to:

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

Formal examination

Assessment Type [1]: Examination
Indicative Time on Task [2]: 40 hours
Due: **During the University examination period**
Weighting: **50%**
Groupwork/Individual: Individual
Short extension [3]: No
AI Approach: Observed

The purpose of this assessment is for you to demonstrate the expertise you have gained in this unit.

You will participate in a 2-hour, on campus, closed-book exam held during the University Examination period.

Important information about the exam will be made available on the unit iLearn page. You should also review the MQ Exams website for general tips.

Deliverable(s): Formal exam

Individual assessment

On successful completion you will be able to:

- Identify and describe 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
- Academic Success 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.

[3] An automatic short extension is available for some assessments. Apply through the Service Connect Portal.

Delivery and Resources

The delivery format of this Unit is as follows:

(i) **Two-hour face-to-face lecture:** Held on campus every **Wednesday from 1 - 3pm in 14SCO T2 Lecture Theatre**. The weekly lectures will also be live-streamed for online students and recorded for later viewing on Echo360.

(ii) **One-hour tutorial** (in person or online): Your tutorial will be delivered either on campus or via Zoom, depending on your class registration. In tutorials, we will work through a set of questions and real-world related case studies designed to strengthen your discipline knowledge, enhance your critical thinking and problem-solving skills, and build your overall work-readiness capability.

All materials for the unit, such as the lecture recordings, lecture notes, reading materials, and discussion questions etc will be made 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 books:

(i) Saunders, Anthony et al, *Financial Institutions Management : A Risk Management Approach* (McGraw-Hill Education, Tenth edition., 2021)

You can access to an online version from the University library and here is the link:

https://ebookcentral.proquest.com/lib/MQU/detail.action?docID=6212856

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

(iii) Anat Admati and Martin Hellwig, 2024, The Bankers' New Clothes: What's Wrong with Banking and What to Do about It - New and Expanded Edition. You may want to check out some of authors' presentations here:

https://casi.stanford.edu/news/bankers-new-clothes-timely-update-our-fragile-banking-system#:~:text=The%20Bankers'%20New%20Clothes%3A%20What's,of%20law%20and%20democr acy%20itself.

Other useful resources:

www.wsj.com

www.ft.com

www.bloomberg.com

www.theeconomist.com (free access via the University libarary)

www.rba.gov.au

www.bis.org

Technology Used and Required

iLearn; ECHO360;

Unit Schedule

Week	Lecture	Assessment tasks
1	**Topic 1: An Overview of Financial Institutions, Risks and Regulations**	
2	**Topic 2: Rationale of Financial Institutions**	
3	**Topic 3: Liability Management**	
4 & 5	**Topic 4: Credit risk Management**	
6	**Topic 5: Securities Portfolio Management**	
7	**Topic 6: Interest rate risk Management**	
8	**Topic 7: Liquidity Management**	Professional Practice (individual task, 25%) **Due 11:55pm Monday, 14 September 2026**
	Mid-session Break	
9 &10	**Topic 8: Capital Management**	

11	**Topic 9: Financial Institutions in Less Developed countries**	Skills Development: Critical Thinking (Group Presentation, 25%) **Each group will deliver their presentation live in their registered tutorial class this week.**
12	**Topic 10: Managing Financial Crises**	
13	**Revision**	
	Final exam (50%): During the University Examination Period	

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
- 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). 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 connect.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/

Academic Success

Academic Success provides resources to develop your English language proficiency, academic writing, and communication skills.

- Ask a Study Coach
- 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 Advocacy provides independent advice on MQ policies, procedures, and processes

Student Enquiries

Got a question? Ask us via the Service Connect Portal, or contact Service Connect.

IT Help

For help with University computer systems and technology, visit https://students.mq.edu.au/support/technology/service-desk.

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.

Unit information based on version 2026.04 of the Handbook