



The University of Southern Queensland

## Course specification

The current and official versions of the course specifications are available on the web at <http://www.usq.edu.au/coursespecification/current>.  
Please consult the web for updates that may occur during the year.

### Description: Financial Markets

Subject	Cat-nbr	Class	Term	Mode	Units	Campus
FIN	1103	91612	2, 2009	ONC	1.00	Springfield

<b>Academic group:</b>	FOBUS
<b>Academic org:</b>	FOB008
<b>Student contribution band:</b>	3A
<b>ASCED code:</b>	081101

### STAFFING

Examiner: Michelle Goyen  
Moderator: Taiji Watanabe

### OTHER REQUISITES

Students are required to have access to a personal computer, e-mail capabilities and Internet access to UConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/ict/students/standards/default.htm>.

### RATIONALE

The structure and operation of financial systems are of increasing importance for the design and conduct of business in all sectors of the economy and for the general performance of the real economy. Students seeking to work in business need to understand the nature and operation of financial institutions and markets and to be conversant with the changing range of financial products and their application. Further, they need to appreciate the significance of the global financial system and the operation and performance of the domestic financial system.

### SYNOPSIS

This course examines the structure, operation and performance of the Australian financial system using principles of financial and monetary economics. Students are introduced to a selection of financial markets, products and institutions the operations of which largely determine key financial variables that affect decisions to save and invest in the real economy.

### OBJECTIVES

On successful completion of this course, students should be able to:

1. demonstrate a working knowledge of the payment system and deposit-taking institutions in Australia
2. demonstrate an understanding of the operation of domestic debt and equity markets
3. demonstrate an understanding of the operation of Australia's foreign exchange market, including its relationship with off-shore capital markets and the global financial system

4. demonstrate a working knowledge of various financial products, including futures, options and swaps
5. demonstrate a working knowledge of interest rate risk management, including the use of forward rate agreements (FRAs)
6. demonstrate an awareness of current issues in domestic and international financial markets
7. demonstrate the professional literacy skills required of a financial services professional by interpreting and analysing financial and economic data
8. confidently and coherently communicate the results of an analysis to an audience
9. demonstrate the creativity required of a financial services professional by preparing a report that interprets real world conditions and relates these to topics covered in this course
10. develop the capacity to work in a team situation and evaluate participation in the teamwork process.

## TOPICS

Description	Weighting (%)
1. Introduction to markets	5.00
2. The payment system and deposit-taking institutions	15.00
3. Debt markets	15.00
4. Equity capital and the share market	15.00
5. Foreign exchange and offshore capital markets	10.00
6. Interest rate risk management	10.00
7. Financial futures	10.00
8. Interest rate swaps	10.00
9. Exchange traded options	10.00

## TEXT and MATERIALS required to be PURCHASED or ACCESSED

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

FIN1103 study package available from the USQ Bookshop.

Fleet, W, Summers, J & Smith, B 2006, *Communication skills handbook for accounting*, 2nd edn, John Wiley & Sons, Milton, Queensland.

Hunt, B & Terry, C 2008, *Financial institutions and markets*, 5th edn, Thomson, Melbourne, Victoria.

## REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

**WEBSITES:** The following websites may contain relevant background information for this course: Reserve Bank of Australia, Australian Prudential Regulation Authority, Australian Securities and Investment Commission, Australian Stock Exchange, Bank of International Settlement. You can access the current web address for these institutions using an internet search engine and the name of the institution. You will also find your local financial press (i.e. newspapers and periodicals) useful for understanding the current context in financial markets. You may also like to watch financial reports on the television or on the Internet to help you apply the material you learn in this course to current market conditions.

Mishkin, FS & Eakins, SG 2005, *Financial markets and institutions*, 5th edn, Addison-Wesley, Boston, Massachusetts.

Valentine, T, Ford, G, Sundmacher, M & Edwards, V 2005, *Financial markets and institutions in Australia*, 2nd edn, Pearson Education, Sydney, New South Wales.

Viney, C 2007, *Financial institutions, instruments and markets*, 5th edn, McGraw-Hill, Sydney, New South Wales.

## STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessments	18.00
Private Study	106.00
Tutorials	36.00

## ASSESSMENT DETAILS

Description	Marks out of	Wtg (%)	Due date	Objectives assessed	Graduate skill	Level assessed
QUIZZES	30.00	10.00	20 Jul 2009 (see note 1)	1, 2, 3, 4, 5, 7	U3	1
ASSIGNMENT PART A	3.00	3.00	26 Aug 2009	2, 6, 7, 8, 9, 10	U3, U4, U6, U9	1, 1, 1, 1
ASSIGNMENT PART B	2.00	2.00	09 Sep 2009	2, 6, 7, 8, 9, 10	U3, U4, U6, U9	1, 1, 1, 1
ASSIGNMENT PART C	40.00	20.00	30 Sep 2009	2, 6, 7, 8, 9, 10	U3, U4, U6, U9	1, 1, 1, 1
EXAM PART A (MULTI-CHOICE)	20.00	20.00	END S2 (see note 2)	1, 2, 3, 4, 5, 6, 7	U3	1
EXAM PART B (PRAC/THEORY)	45.00	45.00	END S2	1, 2, 3, 4, 5, 6, 7	U3	1

### NOTES

1. A total of eight weekly online quizzes will be conducted over the semester, commencing in week 3. Students can achieve up to six marks for each quiz, with the best five quiz results aggregated for the total mark out of 30 for this assessment component. See the course homepage for details about when to complete each quiz.
2. The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date for Exam (Parts A and B) after the timetable has been finalised. The total working time for Exam (Parts A and B) is 2 hours.

## GRADUATE QUALITIES AND SKILLS

Elements of the following Graduate Skills are associated with the successful completion of this course.

Graduate skill assessed	Level assessed
Academic & Professional Literacy (Skill U3)	Introductory (Level 1)
Written & Oral Communication (Skill U4)	Introductory (Level 1)
Teamwork (Skill U6)	Introductory (Level 1)
Creatvty, Initiative & Entrprse (Skill U9)	Introductory (Level 1)

## IMPORTANT ASSESSMENT INFORMATION

- 1 Attendance requirements:  
It is the students' responsibility to attend and participate appropriately in all activities (such as lectures, tutorials, laboratories and practical work) scheduled for them, and to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.
- 2 Requirements for students to complete each assessment item satisfactorily:

To satisfactorily complete an individual assessment item a student must achieve at least 50% of the marks. (Depending upon the requirements in Statement 4 below, students may not have to satisfactorily complete each assessment item to receive a passing grade in this course.)

- 3 Penalties for late submission of required work:  
If students submit assignments after the due date without prior approval of the examiner, then a penalty of 5% of the total marks gained by the student for the assignment may apply for each working day late up to ten working days at which time a mark of zero may be recorded.
- 4 Requirements for student to be awarded a passing grade in the course:  
To be assured of receiving a passing grade a student must achieve at least 50% of the total weighted marks available for the course.
- 5 Method used to combine assessment results to attain final grade:  
The final grades for students will be assigned on the basis of the aggregate of the weighted marks obtained for each of the summative assessment items in the course.
- 6 Examination information:  
This is a restricted examination. The only materials that candidates may use during this examination are: writing materials (non-electronic and free from material which could give the student an unfair advantage in the examination); calculators which cannot hold textual information (students must indicate on their examination paper the make and model of any calculator(s) they use during the examination).
- 7 Examination period when Deferred/Supplementary examinations will be held:  
Any Deferred or Supplementary examinations for this course will be held during the next examination period.
- 8 University Regulations:  
Students should read USQ Regulations 5.1 Definitions, 5.6 Assessment, and 5.10 Student Academic Misconduct for further information and to avoid actions which might contravene university regulations. These regulations can be found at <http://www.usq.edu.au/corporateservices/calendar/part5.htm>. Students should also read the Faculty of Business Procedures which can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

## ASSESSMENT NOTES

- 1 Assignments: (i) The due date for an assignment is the date by which a student must despatch the assignment to the USQ. The onus is on the student to provide proof of the despatch date, if requested by the examiner. (ii) Students must retain a copy of each assignment submitted for assessment. This must be produced within 24 hours if required by the examiner. (iii) In accordance with university policy, the examiner may grant an extension of the due date of an assignment in extenuating circumstances. (iv) The examiner will normally only accept assignments which are electronically submitted through the USQ Study Desk for this course. Students who are unable to meet this submission requirement should contact the examiner of the course to negotiate alternative arrangements. (v) In the event that a due date for an assignment falls on a local public holiday in their area, such as a show holiday, the due date for the assignment will be the next day. Students are to note on the assignment cover the date of the public holiday for the examiner's convenience.
- 2 Course weightings: Course weightings of topics should not be interpreted as applying to the number of marks allocated to questions testing those topics in an examination paper. The examination may test material already tested in assignments and quizzes.

- 3 Referencing in assignments: Harvard (AGPS) is the referencing system required in this course. Students should use Harvard (AGPS) style in their assignments to format details of the information sources they have cited in their work. The Harvard (AGPS) style to be used is defined by the USQ Library's referencing guide at <http://www.usq.edu.au/library/help/referencing/default.htm>.

## **OTHER REQUIREMENTS**

- 1 Computer, e-mail and Internet access: Students are required to have access to a personal computer, e-mail capabilities and Internet access to UConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/ict/students/standards/default.htm>.
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