The structure and operation of financial systems are of increasing importance for the conduct of business in all sectors of the economy and for the general performance of the real economy. Students working 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 to understand the issues raised by the rapid changes that have occurred and are occurring in the operation and performance of international and the domestic financial systems.

SYNOPSIS
This course examines the structure, operation and performance of the global financial system, using principles of financial and monetary economics. Using the Australian financial system as a benchmark, 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. Where appropriate, the linkages between Australia and the global system are demonstrated. In addition, a number of uniquely international financial institutions are examined, and the workings of several international financial centres discussed.

OBJECTIVES
Upon completion of this course, students should be able to:

- apply basic financial economic theory to explaining the workings of the domestic and international financial systems;
• demonstrate a working knowledge of the institutional framework for financing economic activity;
• demonstrate an understanding of the operation of domestic money and capital markets and of their linkages with global financial markets;
• analyse the effects of changes in the private financial system on economic activity;
• discuss issues covering the monitoring, regulation, structure, conduct and performance of both the domestic and international financial system;
• demonstrate a working knowledge of the financial products that are available and their applications;
• acquire an introductory understanding of risk management.
• demonstrate a knowledge of the institutions set up to promote the efficient operation of the global financial system.

**TOPICS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Weighting (%)</th>
</tr>
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<tr>
<td>1. The Financial System</td>
<td>10.00</td>
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<td>2. Financial Institutions</td>
<td>15.00</td>
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<td>3. Equity Markets</td>
<td>15.00</td>
</tr>
<tr>
<td>4. Corporate Debt Markets</td>
<td>10.00</td>
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<tr>
<td>5. Public Sector Debt Markets</td>
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</tr>
<tr>
<td>6. Monetary Policy and the Money Market</td>
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</tr>
<tr>
<td>7. Foreign Exchange Market</td>
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</tr>
<tr>
<td>9. International Financial Centres</td>
<td>5.00</td>
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</table>

**TEXT and MATERIALS required to be PURCHASED or ACCESSED:**

Books can be ordered by fax or telephone. For costs and further details use the 'Book Search' facility at http://bookshop.usq.edu.au by entering the author or title of the text.


**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.


**STUDENT WORKLOAD REQUIREMENTS**

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>HOURS</th>
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<tr>
<td>Assessment</td>
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<td>Directed Study</td>
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**ASSESSMENT DETAILS**

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<thead>
<tr>
<th>Description</th>
<th>Marks Out of</th>
<th>Wtg(%)</th>
<th>Required</th>
<th>Due Date</th>
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<tr>
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<td>20.00</td>
<td>20.00</td>
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</tr>
<tr>
<td>ASSIGNMENT 2</td>
<td>20.00</td>
<td>20.00</td>
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<td>16 May 2003</td>
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<td>EXAMINATION (3 HOURS)</td>
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<td>60.00</td>
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</table>

**NOTES:**

The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date after the timetable has been finalised.

**IMPORTANT ASSESSMENT INFORMATION**

1. **Attendance requirements:**
   - For all other students, there are no attendance requirements for this course. However, it is the students' responsibility 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 complete each of the assignments satisfactorily, students must obtain at least 40% of the marks available for each assignment. To complete the examination satisfactorily, students must obtain at least 50% of the marks available for the examination.

3. **Penalties for late submission of required work:**
If students submit assignments after the due date without prior approval then a penalty of 20% of the total marks available for the assignment will apply for each working day late.

4 Requirements for student to be awarded a passing grade in the course:
To be assured of a passing grade, students must demonstrate, via the summative assessment items, that they have achieved the required minimum standards in relation to the objectives of the course by: (i) satisfactorily completing the examination and assignments; and (ii) obtaining at least 50% of the total weighted marks available for all summative assessment items.

5 Method used to combine assessment results to attain final grade:
The final grades for students will be assigned on the basis of the weighted aggregate of the marks (or grades) obtained for each of the summative assessment items in the course.

6 Examination information:
This is a restricted examination. Candidates are allowed access to specific materials during the examination. The only materials that candidates may use in the restricted examination for this course 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); English translation dictionaries (but not technical dictionaries).

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 Academic Misconduct for further information and to avoid actions which might contravene University Regulations. These regulations can be found at the URL: http://www.usq.edu.au/SECARIAT/calendar/Part5/ or in the printed version of the current USQ Handbook. Students should also read The Guide to Policies and Procedures of the Faculty which can be found at the URL: http://www.usq.edu.au/handbook/2003/business/polproc/index.htm or in the printed version of the current USQ Handbook.

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 item submitted for assessment. This must be produced within five days if required by the Examiner. (iii) In accordance with University's Assignment Extension Policy (Regulation 5.6.1), the Examiner may grant an extension of the due date of an assignment in extenuating circumstances. If students submit assignments after the due date and wish to claim extenuating circumstances then they shall provide validated documentary evidence with the assignment, explaining the circumstances. The Examiner shall consider the statement accompanying a late assignment and decide on the outcome. (iv) Assignments are to be submitted in
the appropriate assignment folders. (v) The Examiner will normally only accept assessments that have been written, typed or printed on paper-based media. (vi) The Examiner will not accept submission of assignments by facsimile. (vii) Students who do not have regular access to postal services or who are otherwise disadvantaged by these regulations may be given special consideration. They should contact the Examiner to negotiate such special arrangements. (viii) 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.

3 Dishonest Actions: (i) Any student who is alleged to have performed a dishonest action relating to any assessment in the course will have a course of action taken against him/her as outlined in the Academic Regulations. (ii) Pieces of assessment should be the work of individual students. Joint pieces of assessment are not permitted unless written approval has been obtained from the Examiner. (iii) Dishonest action in relation to assessment includes: copying or attempting to copy the work of others; use of or attempting to use information prohibited from use in that form of assessment; submitting the work of another as your own; consciously committing acts of plagiarism, i.e. taking and using another's thoughts or writings as one's own with intent to deceive, which occurs when paragraphs, sentences, a single sentence or significant parts of a sentence which are copied directly, are not enclosed in quotation marks and appropriately footnoted or referenced in the text; direct quotations are not used, but text is paraphrased or summarised, and the source of the material is not acknowledged by footnoting or other reference in the text.

4 Deferred Work: Students who, for medical, family/personal, or employment-related reasons, are unable to complete an assignment or to sit for an examination at the scheduled time may apply to defer an assessment in a course. Such a request must be accompanied by appropriate supporting documentation. One of the following temporary grades may be awarded: IDS (Incomplete - Deferred Examination); IDM (Incomplete Deferred Make-up); IDB (Incomplete - Both Deferred Examination and Deferred Make-up).

5 Make-up Work: Students who have undertaken all of the required assessments in a course but who have failed to meet some of the specified objectives of a course within the normally prescribed time may be awarded the temporary grade: IM (Incomplete - Make up). An IM grade will only be awarded when, in the opinion of the Examiner, a student will be able to achieve the remaining objectives of the course after a period of non-directed personal study.