Description: Financial Markets

<table>
<thead>
<tr>
<th>Subject</th>
<th>Cat-nbr</th>
<th>Class</th>
<th>Term</th>
<th>Mode</th>
<th>Units</th>
<th>Campus</th>
</tr>
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<tr>
<td>FIN</td>
<td>1103</td>
<td>34139</td>
<td>2, 2004</td>
<td>ONC</td>
<td>1.00</td>
<td>TWMB</td>
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Academic group: FOBUS
Academic org: FOB009
Student contribution band: 2
ASCED code: 081101

STAFFING
Examiner: Peter Phillips
Moderator: John Teale

OTHER-REQUISITES
It is highly recommended that you successfully complete ECO1000 before enrolling in this course. If you have not, you may find it difficult to successfully complete this course.

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 completion of this course students will be able to:

1. apply basic financial theory to the Australian Financial System;
2. demonstrate a working knowledge of the institutional framework in Australia;
3. demonstrate an understanding of the operation of domestic money and capital markets and of their linkages with global financial markets;
4. demonstrate a working knowledge of the financial products that are available;
5. gain an appreciation for some current issues in financial markets; and
6. acquire an introductory understanding of risk management.

**TOPICS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Weighting (%)</th>
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<tbody>
<tr>
<td>1. The flow of funds</td>
<td>7.50</td>
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<tr>
<td>2. Debt securities and markets</td>
<td>15.00</td>
</tr>
<tr>
<td>3. Equities and the share market</td>
<td>15.00</td>
</tr>
<tr>
<td>4. Financial institutions</td>
<td>10.00</td>
</tr>
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<td>5. Regulation of financial institutions</td>
<td>10.00</td>
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<tr>
<td>6. Interest rates</td>
<td>10.00</td>
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<tr>
<td>7. Foreign exchange markets</td>
<td>10.00</td>
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<tr>
<td>8. Derivatives</td>
<td>15.00</td>
</tr>
<tr>
<td>9. e-commerce</td>
<td>7.50</td>
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</table>

**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.


**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, Sydney Futures


**STUDENT WORKLOAD REQUIREMENTS:**

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>HOURS</th>
</tr>
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<tbody>
<tr>
<td>Assessment</td>
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<tr>
<td>Private Study</td>
<td>106.00</td>
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<tr>
<td>Tutorial</td>
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**ASSESSMENT DETAILS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Marks out of</th>
<th>Wtg(%)</th>
<th>Due date</th>
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<td>ASSIGNMENT 2</td>
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<td>10.00</td>
<td>20 Jul 2004</td>
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<tr>
<td>ASSIGNMENT 1</td>
<td>100.00</td>
<td>10.00</td>
<td>13 Aug 2004</td>
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<tr>
<td>EXAM PART B (PRAC/THEORY)</td>
<td>60.00</td>
<td>48.00</td>
<td>END S2</td>
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**NOTES:**

1. This assignment consists of a class presentation and written work. Submission dates to be advised in tutorials.

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 3 hours.

**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. If you are an international student in Australia you are advised to attend all classes at your campus. Failure to attend may infringe the conditions of your student visa.

2 Requirements for students to complete each assessment item satisfactorily:
   Students must submit a genuine attempt for the assignment/s. For an assignment to be deemed a genuine attempt, the student must have completed at least 80% of each question. Every requirement and sub-part of each question must be attempted. 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 gained by the student 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 assignment/s; (ii) obtaining at least 50% in the examination; (iii) 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 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 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/corporateservices/calendar/part5.htm. Students should also read the Faculty of Business Guide to Policies and Procedures of the Faculty which can be found at the URL http://www.usq.edu.au/handbook/current/buspolproc.html.

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) The Examiner may grant an extension of the due date of an assignment in extenuating circumstances. Extenuating circumstances should be interpreted as circumstances which are unanticipated and cannot be planned ahead. Heavy work and/or family commitments
and travelling on the due date are normally not considered as extenuating circumstances. All applications of extension must be accompanied by supporting documents to substantiate the claims of students. In all circumstances, no assignments will be accepted two calendar weeks after the due date. (iii) Students must retain a copy of all pieces of assessment which must be produced if/when required by the Examiner. (iv) The Examiner will not accept submission of assignments by facsimile. (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.