The University of Southern Queensland

Course specification

This version produced 20 Dec 2007.
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

<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>
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<tr>
<td>FIN</td>
<td>1103</td>
<td>66105</td>
<td>2, 2007</td>
<td>ONC</td>
<td>1.00</td>
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Academic group: FOBUS
Academic org: FOB008
Student contribution band: 2
ASCED code: 081101

STAFFING
Examiner: Peter Phillips
Moderator: Boyd Scheuber

OTHER REQUISITES
Students are required to have access to a personal computer, e-mail capabilities and Internet access to USQConnect. Current details of computer requirements can be found at http://www.usq.edu.au/business/aboutfob.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
The course objectives define the student learning outcomes for a course. The assessment item/s that may be used to assess student achievement of an objective is/are shown in parentheses after each objective. On successful completion of this course, students should be able to:

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

**TOPICS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Weighting (%)</th>
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<tbody>
<tr>
<td>1. Introduction to markets</td>
<td>7.50</td>
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<tr>
<td>2. Introduction to financial mathematics</td>
<td>7.50</td>
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<tr>
<td>3. Debt markets</td>
<td>10.00</td>
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<tr>
<td>4. Equity capital and the share market</td>
<td>10.00</td>
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<tr>
<td>5. The payment system, deposit taking institutions, funds management and insurance institutions</td>
<td>15.00</td>
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<tr>
<td>6. Foreign exchange and offshore capital markets</td>
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<tr>
<td>7. Interest rate risk management</td>
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<tr>
<td>8. Financial futures</td>
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<tr>
<td>9. Interest rate swaps</td>
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<tr>
<td>10. Exchange traded options</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 Exchange, Bank of
International Settlement, Asia Crisis Home Page, Australian Financial Review, Business Review Weekly. You can access these sites via the Department of Finance & Banking home page.


**STUDENT WORKLOAD REQUIREMENTS**

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

<table>
<thead>
<tr>
<th>Description</th>
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<th>Wtg(%)</th>
<th>Due date</th>
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<tbody>
<tr>
<td>ASSIGNMENT</td>
<td>100.00</td>
<td>30.00</td>
<td>14 Sep 2007</td>
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<tr>
<td>EXAM PART A (MULTI-CHOICE)</td>
<td>30.00</td>
<td>15.00</td>
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<tr>
<td>EXAM PART B (PRAC/THEORY)</td>
<td>70.00</td>
<td>55.00</td>
<td>END S2</td>
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</table>

**NOTES**

1. 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.

**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 Policies and 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 submit the assignment to the USQ. (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 each assignment submitted for assessment. This must be produced within 24 hours if 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.

OTHER REQUIREMENTS

1 Learning resources: Prescribed texts and materials (see above); recommended reference materials (see above); printed Introductory Book* and Study Book/s*; and course Website accessible via USQConnect. *part of the study package available from the USQ Bookshop.