

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

**ECON828 INTERNATIONAL INVESTMENT & RISK
(DEPARTMENT OF ECONOMICS)
FIRST SEMESTER 2011**

COURSE OUTLINE

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Lecturer in Charge

ECON828 INTERNATIONAL INVESTMENT & RISK

1. OBJECTIVES, LEARNING OUTCOMES & TEACHING STRATEGY

This is an advanced-level course which examines international money, bond, equity and foreign exchange markets from the perspective of a risk-focused professional investor.

The aim of the unit is to prepare students for the analytical requirements of their career with an emphasis upon developing a balance between quantitative skill and qualitative understanding of real-world issues. Topics include:

- Portfolio Construction, Risk & Return
- Diversification
- Behavioural Finance
- Governance & Incentive Structures
- Sustainable Investing
- Foreign Exchange Markets
- Equity Markets
- Fixed Income Markets
- Lessons from the 2007-2009 Global Financial Crisis
- Active versus Passive Investing
- Risk Management

The teaching strategy in ECON828 recognises that advanced students learn independently, assume responsibility for the learning process, and do so with academic integrity.

Students are expected to participate in the unit by attending lectures and reading the additional materials highlighted to them during the lectures. It is important that students read as much additional material as they can in order to pass this course; exclusive reliance upon the lecture notes is insufficient to achieve this objective. Please also see the section below in respect of online access to all materials provided during this course.

2. ONLINE ACCESS & OTHER KEY POINTS OF ENGAGEMENT

Lecturer-in-charge:

Hugh Dougherty

Lecture Times:

Wednesday's 8am – 11am in room C5A 301

Online Access:

Blackboard CE6 is an online facility available at <http://learn.mq.edu.au/> and is extensively used in this course.

Throughout the semester, students are required to utilise this facility in order to access a broad range of key items such as: this unit outline; all lecture notes; additional reading references; each of the two mid-semester tests; the essay topic; and all course announcements.

Accordingly, you are strongly encouraged to regularly visit the online unit website for this course and use it as a resource centre to assist with your learning.

If you are unable to access this facility because you are not aware of (or have forgotten) your username and password, please contact the IT helpdesk located on Level 1 of the Library on 9850 6500.

The IT helpdesk will also be able to assist you with using Blackboard. Please note that there is also a help feature in Blackboard and you may refer to this instead for assistance in using Blackboard.

3. ASSESSMENT TASKS

1 st Mid Semester Test	-	Online, various format, estimation skill	5
2 nd Mid Semester Test	-	Online, mostly multiple choice, course content	15
Essay	-	3000 words (see separate handout)	20
Final Exam	-	Multiple choice + essays	60
Total			100

Individual Work Required:

Each of the above assessment tasks is to be undertaken individually by each student (i.e. no collaboration is permitted). The final grade will be determined after consideration of each student's performance in all aspects of the course.

"Turnitin" & Submission of Essay:

In addition to submitting a hard copy (accompanied by a signed version of the cover sheet provided) to the Business and Economics Student Services Collection Box (found at Room 106, Building E4B), students are required to submit a soft (electronic) copy of their essay online via Turnitin (<http://www.turnitin.com>).

Essays that are not handed in as both a hard copy as well as via Turnitin will not be marked. This will be strictly enforced.

Turnitin is an online service that checks written assignments for originality. The technology compares student assignments with other student papers, Internet sources as well as a comprehensive database of academic periodicals, journals, books and newspapers. An "originality report" is generated which can then be used to determine the extent of plagiarism in any assignment. More information on the service can be found on the Turnitin website.

A separate guide is also available via the online unit website in respect of the essay for this course.

Examination Period:

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is, the final day of the official examination period.

The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations. The relevant website is: <http://www.timetables.mq.edu.au/exam>

4. UNIVERSITY RULES

Students are reminded of University rules governing requests for **Special Consideration** when illness, misadventure or other cause prevents attendance at classes, affects the submission of work or impairs performance in tests or examinations.

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates at the first instance.

Please carefully read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/for/new_and_current_students/undergraduate/admin_central/grade_appeals

Students are also reminded of the University's rules governing **Academic Honesty** and that severe penalties have been imposed upon students of this course in previous semesters for breaches of these policies and procedures.

Please refer to the following website which provides information about these policies and procedures. Before commencing this course, students are required to read this information and understand that each of the assessment tasks noted above is to be undertaken individually by each student (i.e. no collaboration is permitted).

This information explains what the University's Academic Honesty policy is, how to avoid breaches of it, the procedures that will be undertaken in cases of suspected breaches, and the penalties to be applied to students who are found guilty of breaches. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

This website also highlights some examples of dishonest academic behaviours, and this is repeated below for the benefit of students.

Plagiarism : *Using the work or ideas of another person and presenting this as your own without clear acknowledgement of the source of the work or ideas. This includes, but is not limited to, any of the following acts:*

a) copying out part(s) of any document or audio-visual material or computer code or website content without indicating their origins

b) using or extracting another person's concepts, experimental results, or conclusions

c) summarising another person's work

d) submitting substantially the same final version of any material as another student in an assignment where there was collaborative preparatory work

e) use of others (paid or otherwise) to conceive, research or write material submitted for assessment

f) submitting the same or substantially the same piece of work for two different tasks (self-plagiarism).

Deception: *includes, but is not limited to, false indication of group contribution, false indication of assignment submission, collusion, submission of a work previously submitted, creating a new article out of an existing article by rewriting/reusing it, using the same data to form the same arguments and conclusion, presenting collaborative work as one's own without acknowledging others' contributions, cheating in an examination or using others to write material for examination.*

Fabrication : *includes, but is not limited to, creating fictitious clinical data, citation(s), or referee reports.*

Sabotage: *includes, but is not limited to, theft of work, destruction of library materials.”*

5. RECOMMENDED READINGS

Text:

This unit does not rely on a specific set textbook. Rather, students should first refer to the section above in respect of online access to all materials provided during this course.

This list below highlights additional material of interest. When looking for these items in the Library, always check Special Reserve *first*. Sometimes the only available version of a given reference is a *different edition*. You will need therefore to browse the table of contents etc to find the appropriate section.

To repeat, it is important that students read as much material as they can in order to pass this course; exclusive reliance upon the lecture notes is insufficient to achieve this objective.

Useful References:

Bodie, Z., Kane, A., and Marcus, A. (2002) *Investments* 5th (International) Edition, Mc-Graw-Hill, Boston.

Copeland, T., Koller, T., and Murrin, J (2000) *Valuation: Measuring and Managing the Value of Companies* 3rd Edition, John Wiley & Sons.

Elton, E., Gruber, M., *et al* (2003) *Modern Portfolio Theory and Investment Analysis* 6th Edition, John Wiley & Sons.

Fabozzi, F., 2000, *Handbook of Fixed Income Securities*, Chicago.

Francis, J. and Ibbotson, R (2002) *Investments: A Global Perspective* 1st Edition, Pearson Education Inc. and Prentice Hall.

Hull, John (2007) *Risk Management and Financial Institutions*, 1st Edition, Pearson.

Solnik, B. and D Mcleavey (2004) *International Investments* 5th Edition, Pearson Addison Wesley.

Students needing assistance with mathematics should first consult:

Chiang, A. C. (1984) *Fundamental Methods of Mathematical Economics*, (3rd ed) New York: McGraw-Hill.

Dowling, E.T. (1992) *Introduction to Mathematical Economics*, (2nd Ed) New York: McGraw-Hill

Gujarati, D. (2003) *Basic Econometrics*, (4th Ed), McGraw-Hill

James, D. E. and Throsby, C. D. (1973) *Introduction to Quantitative Methods in Economics*, Sydney: John Wiley.