

# MACQUARIE UNIVERSITY

## Division of Economic and Financial Studies



### UNIT OUTLINE 2005

#### FIN 310 ISSUES IN APPLIED FINANCE

Unit webpage:

<http://www.econ.mq.edu.au/courses/fin310new/>

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## Unit overview

This unit attempts to provide an understanding of how theory and practice mesh in cutting-edge issues in applied finance.

Lectures are presented by leading practitioners from the finance industry who outline and discuss with students the latest models and techniques in use. These are supplemented by lectures from experienced university staff.

Presenters are also often more than willing to answer informal questions about what the industry expects from graduates in finance, how best to obtain and survive an interview, how to get a challenging and promising position in the finance and investment industry, how to plan a successful career, and the mistakes to avoid.

The list of presenters, their affiliations and their topics, and the dates of their presentations is given below.

## Unit meeting and lecturer contact info

| Lecturer             | Class Location            | Class Time       | Contact  | Consultation Times                             |
|----------------------|---------------------------|------------------|--|--|
| Dr. Ronald D. Ripple | W5A Price Lecture Theatre | Monday:<br>6-9pm | Office: C5C 364<br>Phone: 9850 7063<br>Email:<br>rripple@efs.mq.edu.au | Tuesday:<br>10am-noon<br>Wednesday:<br>2pm-4pm |

## Assessment

The unit assessment will be based on a semester essay and an examination, with the following weights:

Semester essay: 25%  
Examination: 75%

**The final exam MUST be passed for you to gain a passing mark in this unit.**

The essay is to be 2000 words in length. The topic will be selected by the student, and will be drawn from one of the topic areas to be lectured on during the semester. Additional details related to formatting, etc. will be provided in a separate handout. The due date for the essay is 20 May 2005.

The examination will be comprised of both multiple choice and long-answer questions.

## Class/lecture preparation

It will typically be the case that the overheads for each lecture will be available in ERIC and on the WebCT by the end of the day, on the Thursday prior to the lecture. Occasionally there will be additional suggested reading available at the same time.

## FIN310 Prize

The *Australian Financial Review Prize in Applied Finance* is awarded each year to the most outstanding student in FIN310. The prize is kindly sponsored by the Australian Financial Review and is valued at \$250 plus a six month complimentary subscription to the AFR.

### Lecture and Topic Schedule

| Week                      | Date        | Lecturer and Topic   |
|---------------------------|-------------|--|
| 1                         | 28 February | Dr. Ronald D. Ripple (Macquarie University)<br><i>Introduction, and<br/>Ethics, Codes of Conduct, and the Finance Industry</i>   |
| 2                         | 7 March     | Dr. Edwin Franks (Macquarie University)<br><i>Applications of Stochastic Analysis in Finance</i>   |
| 3                         | 14 March    | Dr. Edwin Franks (Macquarie University)<br><i>Applications of Stochastic Analysis in Finance</i>   |
| 4                         | 21 March    | Malcolm Voyce (Macquarie University)<br><i>Legal environment</i>   |
| 5                         | 28 March    | <b>Easter Monday – No Class</b>  |
| 6                         | 4 April     | Mr. Tim Stringer (Property Portfolio Manager, AMP)<br><i>Commercial Property Investment</i>  |
| 7                         | 11 April    | Mr. Terry Fanous (Senior Credit Officer, Moody's)<br><i>The Credit Rating Process</i>  |
| <b>Mid-semester Break</b> |             |  |
| 8                         | 2 May       | Mr. Martin Stockley-Smith (Sydney Futures Exchange)<br><i>Clearing and Settlement Operations</i>   |
| 9                         | 9 May       | Dr. Arthur Wassink (Head of Portfolio Management Unit and<br>Financing Product, Westpac)<br><i>Credit Risk Modeling</i>  |
| 10                        | 16 May      | Mr. Craig McBurnie (Director, Commodity Derivatives, ABN<br>AMRO Bank)<br><i>Commodity Markets and Instruments</i>   |
| 11                        | 23 May      | Ms. Olivia Engel (Australian Equities, GMO Australia) <b>and</b><br><br>Mr. Sean Gleason (Australian Equities and Tactical Asset<br>Allocation, GMO Australia)<br><i>Global Funds Management</i>               |
| 12                        | 30 May      | Mr. David Pearson (Head of Risk Operations, Trading Risk<br>Management, Westpac) <b>and</b><br><br>Dr. Giulio Katis (Quantitative Analyst, Trading Risk<br>Management, Westpac)<br><i>Managing Market Risk</i> |
| 13                        | 6 June      | Dr. Ronald D. Ripple (Macquarie University)<br><i>Real options valuation</i>   |

## **Plagiarism**

The University defines plagiarism in its rules: “Plagiarism involves using the work of another person and presenting it as one’s own.” Plagiarism is a serious breach of the University’s rules and carries significant penalties. You must read the University’s practices and procedures on plagiarism. These may be found in the *Handbook of Undergraduate Studies* or on the web at : <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

## **University Policy on Grading**

The Academic Senate has a set of guidelines on the distribution of grades across a range from fail to high distinction. Your final result will include one of these grades plus a standardized numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, and so that students with similar performances compared with past students should achieve similar results.

It is important that you realize that the policy does not require that a minimum number of students be failed in any unit. In fact, it does something like the opposite, in requiring examiners to explain their actions if more than 20% of the students fail a unit.

The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another student will also receive a higher final scaled mark.

For an example of the policy see

<http://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc> or  
<http://www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc>

## **Student Support Services**

Macquarie University provides a range of Academic Student Support Services. Details of these can be accessed at <http://www.student.mq.edu.au>.