GRADUATE ACCOUNTING AND COMMERCE CENTRE

DIVISION OF ECONOMIC AND FINANCIAL STUDIES

ACCG837: CAPITAL MARKETS

UNIT OUTLINE

July 2007 to Nov 2007
UNIT OBJECTIVE

The objective of this unit is to provide an overview of the operation of the capital markets in Australia. The financial institutions are described and the securities offered by these institutions are reviewed. Emphasis is placed on the financial instruments available to companies and investors from the equity, debt and derivative markets.

FORMAT

There will be eleven lectures and two exams.

The lectures will be:

Mon   Room E4B 316, 9am to 12noon
Tue   Room E4B 316, 2pm to 5pm
Tue   Room C4A 312, 6pm to 9pm

The lecture notes, the multiple-choice questions (MCQ), and answers to selected essay questions are available on the unit web site.

Answers to the MCQ may contain error. It is important that students work through the MCQ, and examine the answers given. Do not blindly accept the answers. Correction will be posted on the unit website regularly as the error is discovered.

Students are advised to keep up to date with the MCQ and the essay questions, as at least 65% of the exam questions will be based on them.

Make sure you have the same version of material as that in the WebCT.

There will be a group project to be handed in during presentation. This will require you to research a topic (maximum 3000 words) related to Capital Markets in Australia and based on recent events no later than three years old.

You should form a group of 3 to 4 people, and submit a typed written page with names of students in the group and the proposed topic (select a few if you are unsure) for approval no later than Lecture 5. A 20-minute presentation of your group project will be conducted during lecture 11 and 12.

The exams are conducted during class time. The mid-semester exam will cover material from Ch 1 to 6, and the final exam will cover the remaining material. You are strongly advised to sit for the exam at the class time you have enrolled for, a change of exam time will be very difficult to arrange.
INSTRUCTOR
Siang CHANG    Mobile: 0411 954 519
               SiangChang@tpg.com.au

UNIT WEB SITE    http://online.mq.edu.au

STEPS:
LOGIN
Type in USERNAME and PASSWORD
Click on GACCRESOURCES
Click on ACCG837

Students are advised to check the unit website regularly, and ensure that all material posted on
the website can be accessed without difficulties. If you are unable to access any of the material
on the website, check with your classmates first before notifying your lecturer of the problem.

UNIT ASSESSMENT

Group Project (Presentation)  10%
Group Project (Written)       15%
Mid-session examination      35%
Final examination            40%

To pass the unit, you are required to:

1. obtain at least 37.5 out of 75 for the two exams, and
2. obtain an overall mark of at least 50%

CALCULATORS

Calculators will be allowed in the exams, and students are advised to bring their calculators to
class.

If you are planning to use a programmable calculator, make sure that you obtain approval from
the lecturer before using it in the exams. You are expected to show all workings for your
calculations.

All calculations should be to two decimal places, excessive rounding will be penalised.

TEXT BOOK


REFERENCE BOOK

## LECTURE PROGRAM

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<tr>
<th>Lecture</th>
<th>WEEK STARTING</th>
<th>CHAPTER</th>
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<td>Lecture 1</td>
<td>29th July 2007</td>
<td>The financial system</td>
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<td>The banking sector</td>
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<td>Lecture 2</td>
<td>5th Aug 2007</td>
<td>The banking sector</td>
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<td>Non-bank financial Institutions</td>
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<td>Lecture 3</td>
<td>12th Aug 2007</td>
<td>The sharemarket and the corporation</td>
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<td>Corporations issuing equity in the share market</td>
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<td>Lecture 4</td>
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<td>Investors in the share market</td>
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<td>Lecture 5</td>
<td>26th Aug 2007</td>
<td>Short-term debt</td>
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<td>Medium-to-longer term debt</td>
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<td>Lecture 6</td>
<td>2nd Sep 2007</td>
<td>Medium-to-longer term debt</td>
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<td></td>
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<td>Government debt, monetary policy and the payments system</td>
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<td>Lecture 7</td>
<td>9th Sep 2007</td>
<td>Mid-Semester exam</td>
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<td>Lecture 8</td>
<td>30th Sep 2007</td>
<td>Government debt, monetary policy and the payments system</td>
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<td>(See Note 1)</td>
<td>An introduction to interest rate determination and forecasting</td>
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<td>Lecture 9</td>
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<td>Futures contracts and forward rate agreements</td>
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<td>Lecture 10</td>
<td>14th Oct 2007</td>
<td>Options markets</td>
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<td>Lecture 11</td>
<td>21st Oct 2007</td>
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<td>Lecture 12</td>
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<td>4th Nov 2007</td>
<td>Final Exam</td>
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**Note 1:** Monday 1st Oct is a Public Holiday. Lecture 8 scheduled for 1st Oct will be held on Monday 24/9.