SCHOOL OF ECONOMIC AND FINANCIAL STUDIES

DEPARTMENT OF ECONOMICS

COURSE OUTLINE

ECON828 INTERNATIONAL INVESTMENT & RISK
FIRST SEMESTER 2008

Stefan Trueck
Lecturer in Charge
1. COURSE OBJECTIVES

This is an advanced-level course concentrating on the analysis of risk and return, financial risk management, derivatives and international bond and share investments. A strong emphasis is placed upon developing a rigorous analytical skill-base which can then be applied to real-world issues. Topics include:

- Portfolio Construction, Risk and Return
- Single-factor models (CAPM) and Multi-factor models (APT)
- Financial Products and how they are used for hedging / managing exposures
- Interest Rate Risk
- Volatility Modeling
- Dependence, Correlations and Copulas
- Bank Regulations and Basel II
- Value-at-Risk and other Risk Measures
- Managing Market Risk
- Managing Credit Risk
- Credit Derivatives
- Operational Risk
- Model and Liquidity Risk
- Global Bond Portfolio Management
- International Portfolio Investment

2. ASSESSMENT

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<th>Assessment</th>
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<tr>
<td>Essay</td>
<td>3000 words (see separate handout)</td>
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<tr>
<td>Final Exam</td>
<td>Multiple choice + essays (see separate handout)</td>
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3. ENQUIRIES & COURSE TIMETABLE

Lecturer-in-charge:

Stefan Trueck
Room: E4A 432
Email: strueck@efs.mq.edu.au
Tel.: 9805 8483

Lecture Times:

10-1 pm, Thursday, Room: C5A 232

Consultation Hours:

2.30-4.30 pm, Thursday, Room: E4A 432

Unit Homepage:

In order to ensure that every student is kept fully informed and that any unnecessary duplication is avoided, all communications for this course will take place via the unit homepage. This can be accessed by logging onto

http://www.learn.mq.edu.au/

with your personal username and password, and then selecting the link commencing “ECON828…”

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 examinations.

4. TEXTBOOK AND RECOMMENDED READINGS


Additional to the recommended text, sometimes chapters from other books (see below) will be used in conjunction with journal articles and lecture notes.

Other Recommended References:


*Students needing assistance with mathematics should first consult:*

