ECON828 INTERNATIONAL INVESTMENT & RISK
(DEPARTMENT OF ECONOMICS)
SECOND SEMESTER 2010

COURSE OUTLINE

Hugh Dougherty
Lecturer in Charge
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
- Foreign Exchange Markets
- Equity Markets
- Fixed Income Markets
- Linkages to the Real Economy
- Lessons from the 2007-2009 Global Financial Crisis
- Risk Management

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

Students are expected to participate in the unit by attending lectures, understanding the items provided to them during the course, and reading additional material about important issues in investment and risk.
2. ASSESSMENT

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<thead>
<tr>
<th>Test Type</th>
<th>Description</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1st Mid Semester Test</td>
<td>Online, various format, estimation skill</td>
<td>5</td>
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<tr>
<td>2nd Mid Semester Test</td>
<td>Online, mostly multiple choice, course content</td>
<td>10</td>
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<tr>
<td>Essay</td>
<td>3000 words (see separate handout)</td>
<td>25</td>
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<tr>
<td>Final Exam</td>
<td>Multiple choice + essays</td>
<td>60</td>
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<td>Total</td>
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<td>100</td>
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The final grade will be determined after consideration of performance in all aspects of the course.

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](http://www.timetables.mq.edu.au/exam).

3. OTHER KEY POINTS OF ENGAGEMENT

Lecturer-in-charge: Hugh Dougherty

Lecture Times: 6-9 pm, Mondays (room E6A 102)

Online Access:

Blackboard CE6 is an online program available at [http://learn.mq.edu.au/](http://learn.mq.edu.au/) through which students will be able to access resources to assist them throughout the semester.

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.

The following materials are available via this facility: announcements, unit outline, lecture materials, essay topic and other key reference materials and readings. Accordingly, you are strongly encouraged to regularly visit the website and use it as a resource centre to assist with your learning.
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 read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

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

Students are also reminded of University rules governing Plagarism. 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 can 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.
5. RECOMMENDED READINGS

Text:

This unit does not rely on a specific set textbook. Rather, several recommended books (see below) will be used in conjunction with journal articles and lecture notes. It is important that you read as much material as you can in order to pass this course; exclusive reliance upon the lecture notes is insufficient to achieve this objective.

Recommended:


Other Useful References:


Students needing assistance with *mathematics* should first consult:


6. FURTHER READING BY TOPIC

A separate handout is available (titled ‘A List of Useful References, July 2010’) but this may differ from the actual flow of the lectures; it is a guide to general content rather than specific lecture detail or structure. It is also intended only as an initial assistance; further references may be given as the course proceeds.

When looking for reference material 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.