

School of Economics and Finance

**FINA 306 FINANCIAL ECONOMICS**

Trimester Two 2011

**COURSE OUTLINE**

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**Names and Contact Details**

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**Trimester Dates**

Teaching Period: Monday 11 July – Friday 14 October  
Study Period: Monday 17 October – Thursday 20 October  
Examination Period: Friday 21 October – Saturday 12 November (inclusive)

**Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 22 July 2011.
2. The standard last date for withdrawal from this course is Friday 23 September. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an ‘*Application for Associate Dean’s Permission to Withdraw Late*’ including supporting documentation

The application form is available from either of the Faculty’s Student Customer Service Desks.

**Class Times and Room Numbers**

Day/Location:  
Tuesday RWW315  
Wednesday RWW413  
Time: 2:40 pm – 3:30 pm

Tutorial Location:  
Day: Friday RWW413  
Time: 3:00 pm – 3:50 pm

## **Course Content**

FINA 306 bridges the gap between undergraduate and honours level study in economics and finance. Because the course is intended for students, who have an interest in pursuing honours-level study in economics and finance at VUW, the prerequisites are:

- Grade of B or better in ECON 201 (Microeconomics)
- Completion of QUAN 102 (or MATH 177 or STAT 131/193)
- Completion of QUAN 111 (or MATH 141/412, 151)

The course reflects the philosophy that there is an intimate connection between economics and finance. These subjects use the same tools of analysis and assume the same conceptual basis for individual behaviour and social benefit. In the presence of uncertainty and intertemporal decision-making, economics and finance become virtually one subject.

Compared to the other 300 level papers, there will be a greater focus on underlying theoretical concepts and rather less on problem solving. The course will not be especially mathematically demanding. However, the material will be presented in a way that is much more abstract than many students will have seen before.

## **Course Learning Objectives**

By the end of this course, students should be able to:

1. Use and be familiar with tools and the rigorous application of concepts in finance at an advanced undergraduate level;
2. Explain and apply economic models of individual choice in a one-period world with uncertainty;
3. Explain and apply economic models of equilibrium goods and asset markets in a one and two period world;
4. Explain the characteristics and implications of incomplete markets; and
5. Explain and apply economic models of equilibrium of goods and asset markets in a multi-period world.

## **Course Delivery**

Course delivery takes the form of 24 (twenty-four) 50-minute lectures and approximately 9 (nine) 50-minute tutorials.

## **Expected Workload**

The workload for FINA 306 is intended to be similar to that for other 300-level ECON and FINA courses. The total expected workload is 150 hours, comprising 12-13 hours per week for the average student (in this class).

## **Group Work**

There is no group work.

## **Readings**

There is no required textbook, but some lectures will be drawn from:

Perloff, Jeffrey M. Microeconomics: Theory and Applications with Calculus. Pearson Addison Wesley; Boston, 1<sup>st</sup> edition, 2008

Lecture notes and key readings will be provided on Blackboard.

### **Materials and Equipment**

Non-programmable calculators only will be allowed in the final examination.

### **Assessment Requirements**

Your final grade is based upon three assignments (15%) and three one-hour tests (45%) and a two-hour final exam (covering the whole course and contributing 40%). The table below shows the assessment, the due date (or date held), the related learning objective(s), and the percentage of the total grade.

Assessment	Date	Learning Objectives	Total Grade Percentage
Test 1	21-Jul-11	1	10%
Assignment 1	9-Aug-11	2	5%
Test 2	19-Aug-11	2	15%
Assignment 2	20-Sep-11	3 & 4	5%
Test 3	30-Sep-11	3 & 4	20%
Assignment 3	14-Oct-11	5	5%
Final Exam	t.b.d.	1-5	40%
Total			100%

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

### **Examinations**

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the period from Friday 21 October– Saturday 12 November 2011.

### **Penalties**

Assignments handed in late will not be marked. If a satisfactory medical certificate is provided, the weight from the assignment will be shifted onto the other pieces of assessment; otherwise, the assignment score will be recorded as 0.

**Mandatory Course Requirements** - None

## **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

## **Communication of Additional Information**

Course documents and other information will be available on the course website at <http://blackboard.vuw.ac.nz>. Announcements will also be posted there.

## **Use of Turnitin (if applicable)**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

**For the following important information follow the links provided:**

### **Academic Integrity and Plagiarism**

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

### **General University Policies and Statutes**

Find key dates, explanations of grades and other useful information at [www.victoria.ac.nz/home/study](http://www.victoria.ac.nz/home/study).

Find out about academic progress and restricted enrolment at [www.victoria.ac.nz/home/study/academic-progress](http://www.victoria.ac.nz/home/study/academic-progress).

The University's statutes and policies are available at [www.victoria.ac.nz/home/about/policy](http://www.victoria.ac.nz/home/about/policy), except qualification statutes, which are available via the Calendar webpage at [www.victoria.ac.nz/home/study/calendar](http://www.victoria.ac.nz/home/study/calendar) (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at [www.victoria.ac.nz/home/about\\_victoria/avcacademic/default.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx)

**AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support**

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

### **Faculty of Commerce and Administration Offices**

<http://www.victoria.ac.nz/fca/studenthelp/>

### **Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)