

## 316-677 Financial Economics

<b>Credit Points:</b>	12.500
<b>Level:</b>	Graduate/Postgraduate
<b>Dates &amp; Locations:</b>	2008, This subject commences in the following study period/s: Semester 2, - Taught on campus.
<b>Time Commitment:</b>	Contact Hours: Three hours of classes per week plus three hours of seminars during the semester (Semester 2). Total Time Commitment: Not available
<b>Prerequisites:</b>	316-611 Microeconomics.
<b>Corequisites:</b>	None
<b>Recommended Background Knowledge:</b>	None
<b>Non Allowed Subjects:</b>	None
<b>Core Participation Requirements:</b>	<p>&lt;p&gt;For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.&lt;/p&gt;         &lt;p&gt;It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: &lt;a href="http://services.unimelb.edu.au/disability"&gt;http://services.unimelb.edu.au/disability&lt;/a&gt;&lt;/p&gt;</p>
<b>Subject Overview:</b>	This subject examines the economics of financial markets and financial institutions, including a substantial component of financial economic theory and some important current issues in management of financial institutions and evolution of financial markets. Topics include the theory of choice under certainty and uncertainty, asset pricing models, efficient markets theory, theory of financial intermediation, risk management and the theory of the term structure of interest rates.
<b>Assessment:</b>	A 3-hour end-of-semester examination (80%) and class assignments totalling not more than 4000 words (20%).
<b>Prescribed Texts:</b>	None
<b>Breadth Options:</b>	This subject is not available as a breadth subject.
<b>Fees Information:</b>	Subject EFTSL, Level, Discipline & Census Date, <a href="http://enrolment.unimelb.edu.au/fees">http://enrolment.unimelb.edu.au/fees</a>
<b>Generic Skills:</b>	<p>On successful completion of this subject students should be able to:</p> <ul style="list-style-type: none"> <li># Evaluate the main theories used in the study of financial economics;</li> <li># Analyse the usefulness and the limitations of financial economic theory;</li> <li># Critically evaluate contemporary policy debates in the area of financial economics.</li> </ul> <p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> <li># Evaluation of ideas, views and evidence</li> <li># Synthesis of ideas, views and evidence</li> <li># Strategic thinking</li> <li># Critical thinking</li> <li># Application of theory to economic policy and business decision making</li> <li># Accessing economic and other information</li> <li># Summary and interpretation of information</li> </ul>

	<ul style="list-style-type: none"><li># Application of Windows software</li><li># Using computer programs</li><li># Statistical reasoning</li><li># Problem solving skills</li><li># Collaborative learning and teamwork</li><li># Written communication</li><li># Oral communication</li></ul>
<b>Related Course(s):</b>	Master of Commerce - Economics