Subject Program

SUBJECT COORDINATOR/SEMINAR CONVENOR
Ron Perrin, Room 40.311, Ph. (0242) 21 4118

Consultation Times
Monday – 11.30am to 1.30pm
Friday 3.30 to 5.30
Otherwise, by appointment.

ATTENDANCE REQUIREMENTS AND SEMINAR TIME
Fridays - 1.30 to 3.30, in 67.101
Classes will be conducted on a seminar basis. Attendance per se is not a component of assessment.

SUBJECT DESCRIPTION
This subject is concerned with the practical development of markets for the management of funds, other assets and liabilities. The globalised market for funds and the need for practical risk management of portfolios problematises the need for regulation and enhanced reporting. It proceeds from the premise that markets are social as well as economic constructs developed within temporal/spatial contexts that are neither objective nor value-free.

OBJECTIVES
By the end of the course, you should be able to demonstrate a capacity to discuss and critically evaluate:
- a. The role of markets and fund management
- b. The development of risk management practices within the framework of portfolio design and management; and
- c. Review the case for regulation and reporting of fund activities
- d. The challenges facing capital markets in the new millennium

METHOD OF ASSESSMENT
1 Seminar Presentation 15
Participation 10
Three essays (out of 25% each) 75
100

THE ESSAYS
You must submit three essays during the semester. Written work should conform to the following requirements:

Length: Around 2500 words and not more than 3000 (not including the list of references)

Presentation/Content: Essays MUST:
- a. Be word processed/typed using double-line spacing and have a cover sheet at the front with your family name, given names and student number.
- b. Include a synopsis and a list of references.
- c. Adopt a proper method of referencing and annotation current used in “Accounting and Finance - The Journal of the Accounting Association of Australia and New Zealand”
- d. Include the ‘Acknowledgment Practice note’ (regarding plagiarism) duly signed and dated,
Penalties, including loss of marks and/or requests for re-submission of work may result from failure to follow the formal requirements outlined above. Late submission penalties of one mark per day apply. Requests for extensions MUST be made BEFORE submission date. Our Department’s policy is that submission by fax is not acceptable.

**ESSAY MARKING GUIDE**

I will consider, among other things, the following issues when marking your essays. Please keep them in mind when you are writing them.

**Synopsis/Abstract**

Clanchy & Ballard (Essay Writing for Students, 1981) recommend that the synopsis should cover:

1. The outline of your main arguments, (not the full details); and
2. The general conclusions you have reached.

Remember that the synopsis is not a ‘road map’ of your essay. That role is more suited to an ‘Introduction’.

Where synopsis length is not specified, it is usual to aim at around 5 - 10% of the length of the essay itself.

**Structure & Presentation**

To what extent did the structure and the use of meaningful headings enhance the logic, coherence and flow of your arguments? How has the presentation added to the overall impact of the essay?

**Content**

How relevant was the content of your essay in building, supporting and advancing your arguments?

(At the postgraduate level, essayists are expected to adopt an analytical approach to the topic. It is not acceptable to simply reproduce the source materials. If you are not sure about what analysis entails please see me)

**Style**

How logical and coherent was the language you used to establish and support your point of view?

How did your written style add to/detract from the flow and readability of the essay? Have you adequately reviewed your essay for correct spelling, grammar and usage?

**Referencing**

Did your references support your arguments? Do you have sufficient evidence of research to build and present your arguments? Did you follow the prescribed referencing method?

**Other Comments**

Other matters worthy of comment.

**THE ESSAY QUESTIONS**

**Essay 1., due in the seminar on 31 March 2000** - Outline and critically evaluate the current condition of the capital markets and nature and focus of finance and investment activity in your homeland. Your essay should include a comparison of the current situation with conditions 12 to 18 months ago. This essay will be marked and returned to you on or by 14 April 2000.

**Essay 2., due in the seminar on 5 May 2000** - Outline and discuss some of the investment and financing strategies that you might recommend and employ if you a senior financial officer of a large public company. Among other things you should cover the formation, content and monitoring of an investment/financing plan, remembering not to neglect any ethical considerations. This essay will be marked and returned to you on or by 19 May 2000.

**Essay 3., due in the seminar on 26 May 2000** - Discuss the emergent strategies that might be adopted or considered by investors/fund managers in the light of the current and recent economic conditions in Asia. This essay will be marked and available for collection by you on or by 9 June 2000.

**PLAGIARISM**

In Australia, our western academic tradition considers the use of other peoples’ writings or ideas within our own essays/research, without properly acknowledging or attributing those writings or ideas to their source, as a very serious breach of ethics and standards, tantamount to stealing. We call this PLAGIARISM. You are encouraged to read widely. You are encouraged to use the ideas and writings of other authors to support your own ideas - providing you properly ACKNOWLEDGE the work of others in your list of references and notes as is required. As a student you must become familiar with, read and adopt the University of Wollongong
Acknowledgment Practice as set out in the 1998 Postgraduate Calendar. At the end of your essays you must type and sign a statement with the following wording: -

"I have read and adopted the University of Wollongong Acknowledgment Practice Code as set out in the University of Wollongong Calendar 2000

Signed
........................................................................................................................................
Date................................................................

SEMINAR PROGRAM

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<th>Date</th>
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| 1 3 March | Getting to know you!  
Introduction and overview of the course  
Assignment of seminar topics |
| 2 10 March | The Global Market for Finance  
Financial Services Vs Industrialisation  
Deregulation in a seamless market |
| 3 17 March | Managing assets and liabilities: Theory & Practice  
- Risk, Return and Diversification  
- Cash flows  
- Tax considerations  
- Internationalisation |
| 4 24 March | Funds Management: Theory & Practice  
- Equities  
- Property  
- Managed Funds  
- Derivatives  
- Forex |
| 5 31 March | Risk Management: Theory & Practice |
| 6 7 April | OPT, APT |
| 7 14 April | Portfolio design: Theory & Practice  
- Asset/Liability mix  
- Entry and exit costs  
- Exploring the ‘Fundamentals’ |
| 8 5 May | Portfolio Management: Theory & Practice  
- Passive management  
- Active Management |
| 9 12 May | Hybrids, Swaps and Immunisation |
| 10 19 May | Ethical Investments |
| 11 26 May | The case for regulation and reporting |
| 12 2 June | Overview & Review |

STUDY TECHNIQUES: Some tips and tricks.

Reading: Always take time to read the preface and Acknowledgments before beginning to read the body of any book. The astute author will give us a lot of information about his or her book. This may include any or all of the following: why they wrote it, what’s in it, why some content was included and other content omitted their philosophical position on the topic and much more.
Acknowledgements will include people who influenced their work and we may be able to detect those influences. Reading these opening remarks will accelerate the processes through which we gain understanding about what we read. In addition it is important to read for overall understanding rather than minute detail.

**Collaboration has many advantages over competition.** Study, like work is hardly ever a solitary exercise. You are not in competition with each other. Discuss the aspects of the course with your fellow participants - help and sustain each other.

**Read Other Works by many Authors** - Discuss what you read with other participants - share your knowledge and improve your understanding.

**Situate What You Read Within A Wider Historic And Social Context.** When was the book written and what were the economic and social conditions prevalent at that time? How would the authors ideas have been shaped by his/her temporal/cultural setting?

**Freedom and Safety.** Our seminars are designed as an environment within which you are free to express your ideas in safety. You are free and safe to disagree with me, to disagree with whatever you may read or whatever is presented to you by others. However, that freedom is tempered by a need to respect the views of others with behave with tolerance and civility.

**Why?** I believe this is the most important question you can ask of any program of inquiry and it should drive your research efforts.

**Use Me as A Resource and As A Sounding Board for Your Ideas and Thoughts.** In addition, don’t forget other post-graduate students who may have done this subject and may have valuable understanding and advice for you. Ask around.

**SEMINAR PRESENTATIONS**

The following is what I expect from you in your role as a seminar presenter

**Structure**

Plan to present for around 30 minutes. Your presentation should have a distinct structure - an introduction, a ‘body’ and a conclusion. This requirement is not designed to restrict your imagination or talent for innovation but to allow us all to follow your arguments more easily. In terms of allocating time to each division, that is up to you but as a general guide say 20%; 60%; 20% respectively.

**Content**

The content ought to highlight the fruits of your research effort. You must decide whether to present an overview of the whole text/report or to concentrate on a particular issue, which interests you. Whichever way you choose to present your material, my assessment will concentrate on how well you understand your topic. In order to determine this, I may choose to question or challenge you on some aspect of your address, as is common in our academic community. You should be prepared to support your point of view or understanding. I will also actively encourage your fellow participants to question you and become part of the exchange of ideas. None of this is designed to embarrass you or to denigrate your presentation or language skills, but is a practical means of allowing you to demonstrate your familiarity with the topic.

**Presentation Style**

Almost everyone will be nervous about speaking in front of the group. With many people, that nervousness is made more obvious by problems that arise during the presentation. Here are some tips:

- **Bring a glass of water** - if nerves make your lips or mouth go dry then a sip of water works wonders.
- **Smile** - a smile can help you and your audience to relax.
- **Slow down** - nerves often make us speak more quickly. The quicker we speak, the more difficult we are to understand. Whether English is your first or second language you need to modulate the pace of your delivery and while 35 minutes may seem like an eternity, for a presenter who is familiar with his/her topic it passes very quickly.
• **Involve everyone** - make us active participants. Remember it is your responsibility to maintain our interest in your presentation. Be bright and cheerful, use quizzes/games or questions to involve us.

• **Try not to read your presentation.** Fear concerning the adequacy of your language skills may make the strategy of reading the presentation seems very attractive. While that may be good for your nerves, it can bore the audience witless. Try using hand-held, palm-size cards containing the major points, or using an overhead transparency or the blackboard. However, beware of relying on memory alone - it too may be a very dangerous strategy.

**Handouts**

You are required to give to every participant a Summary or skeleton/outline of your presentation. You decide how detailed that summary is but it should cover the major points of your presentation. It should not exceed five pages. You must hand to me a full set of your presentation notes, as it will form part of your assessment.

The following is what I expect from you in your role as a **seminar participant**

You will present two seminars each but you will also be a participant in the remaining seminars. As a participant, your role is no less vital than that of a presenter.

• **Listen Actively** - To maximise the benefits of each presentation you must concentrate on following the information and arguments of the presenter.

• **Take Notes** - You will understand how much effort has been put into the presentations simply by reference to the amount of work you have to do for your own. Respect the efforts of others by noting their arguments and data.

**Support each other** - offer encouragement - **ASK QUESTIONS.** By questioning the presenter, you will help them to better understand their topic. If your understanding of the subject differs from the presenter you are obliged to raise those doubts - only through debate and discourse can we gain further insights into the subject. Don’t be afraid that you are ‘capturing’ or disrupting the presentation. Our culture makes allowances for and encourages conjecture. In addition, do not worry about forcing the presenter to go over time - I will keep a check on that. Remember that I will be observing you in your role as a participant and that this activity forms part of your assessment.

**USING EQUIPMENT AND VISUAL AIDS**

Presentations can be improved and enhanced by using some both simple and more complex technologies.

• **The Blackboard/Whiteboard** - probably the most simple yet most effective technology available. Consider using the board to underscore the major parts of your presentation. If you are unfamiliar with this medium, I suggest you write the major points up on the board BEFORE you begin and then refer to them as you proceed. Use different colours of chalk/pen for emphasis. Make sure your writing style and print size can be read from the back of the room.

• **Butchers Paper and Felt Pens** - Another simple but effective set of tools, somewhat more flexible than the blackboard because you can script a number of pages that allow you to make multiple cross-referenced points. Remember to use different colours for emphasis. Make sure your writing style and print size can be read from the back of the room.

• **Overhead Projector (OHP)** - Still relatively simple and very flexible. However, you must be careful when using the OHP. Technique is very important. Make sure your writing style and print size can be read from the back of the room. Transparencies may be either neatly handwritten or typed. You should avoid having close set typed information - it is hard to read and unattractive to look at. Use 16-20 point type size and remember LESS IS MORE! As you place each transparency on the OHP, make sure it is the right way up and straight. I recommend switching the OHP off briefly while placing and removing the transparencies, and then switching it back on - it’s tidier. Make sure that you do not obscure the image by passing between screen and light while you are talking - it is annoying, tends to distract the participants and is unprofessional. Use the ‘reveal’ technique to emphasise each point by obscuring the writing with a piece of paper and drawing it down as each point is addressed. Use a pen or slim pointed object placed on the glass to point to a particular word or line.

• **AudioCassette or VCR** - If you need a cassette player or the Department’s VCR to run a tape please let me know well beforehand.
• **Computer Hardware/Software** - If you intend using PowerPoint or other screen-based technology, again please let me know well beforehand so that I can try to arrange for the appropriate materials/venues to be available.

• **Audience Participation** - You may wish to interrogate your fellow participants or use quizzes or games as devices for moving your presentation forward. Make sure any instructions you give are clear and check to make sure we understand them. If you ask questions of us don’t rush in to answer them yourself - hold your nerve - wait for us to respond. If we won’t answer, make us work - choose someone to answer, addressing him or her by their name.

• **Practice your presentation skills** - they will be invaluable in other subjects also

Finally, I am happy to help you with your presentations in advance. Come and see me for help, run your ideas past me. Talk to your friends and use any other resources available. It’s up to you.

**COURSE RULES AND UNIVERSITY POLICIES**

The Postgraduate Course Rules and the university’s Policies relating to student conduct and especially applications for special consideration and supplementary exams are found in the Postgraduate Calendar 2000. You are obliged to read these if you intend to rely upon them in any application you may make.

**NON-DISCRIMINATORY LANGUAGE PRACTICE AND PRESENTATION**

The Postgraduate Calendar outlines the university’s policy and guidelines for referring to minority groups, gender inclusive language and sex role stereotyping and status issues. I would ask that you adopt and honour the policy and these rules as a matter of course.

**STUDENTS WITH DISABILITIES**

If you have a disability that requires reasonable accommodation in this subject you are strongly advised to discuss the issues early in the session with one of the following people: The Disability Liaison Officer, the Faculty Disability Adviser (Associate Professor Robert Williams in room 40.337) and/or me, as subject coordinator.

**REFERENCES**

Brearley, et al *Principles of Corporate Finance*, (see below) is an excellent text for the basic premises touched on in this course but a list of additional materials you will find helpful also appear below. Students may be directed towards readings associated with various topics within the course. Two copies of each reading would be held within the John Steinke Reserve Collection. Where relevant I may add to these readings throughout the semester. Obviously, you will be expected to enhance your understanding of those articles by a wider reading that will contextualise the topics.

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<td>Oxford University Press, Hong Kong, 1996.</td>
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<td>Australian Financial Review</td>
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<td>Business Review Weekly (BRW)</td>
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