

THE UNIVERSITY OF NEW SOUTH WALES



THE UNIVERSITY OF
NEW SOUTH WALES



SCHOOL OF
BANKING AND FINANCE

**Information for
Fourth Year Honours
Students
in 2008**

in

**Banking
and
Finance**

**SCHOOL OF BANKING AND FINANCE
THE UNIVERSITY OF NEW SOUTH WALES**

INFORMATION FOR FOURTH YEAR HONOURS STUDENTS IN 2008

Table of Contents

1. Why do honours in Finance?	2
2. Application Procedure and Admission Criteria	3
3. Financial Support.....	4
4. Course Work.....	4
5. Thesis.....	5
6. Topics and Supervisors	6
7. Data available.....	7
8. Penalty for non-compliance	7
9. Award of honours	7
10. Staff research interests and contact details	7
(updated list will be available from the school's web site)	
FOR FURTHER INFORMATION CONTACT	9

1. Why do honours in Finance?

The Finance industry is becoming increasingly complex and global in its scope. As such, it demands graduates with first-rate training in Finance who can be immediately employed to add value to an organisation. The honours year will provide students with an opportunity to learn the necessary skills to tackle the financial issues and challenges they will encounter in their future careers. These include analytical skills in problem solving (identification of problems, mapping out solutions and executing them) and Financial (both practical and academic) research skills. In fact, completing an honours degree has become a prerequisite for a successful placement in certain sectors of the financial services industry, for example investment banking, consulting, risk management and international finance.

The School has accumulated an enviable reputation of generating top class honours graduates who move on to key Finance industry positions not only in Australia but also in major Financial centres in the world (see some of the success stories below).

Case 1: Andrew Carpenter, First Class Honours with University Medal, 2002

Andrew Carpenter wrote his honours thesis on the price discovery process in the foreign exchange market. His thesis was one of the few studies in the foreign exchange literature that examines the information content of trades by different participants. Through careful econometric analyses, he presented evidence of an information hierarchy across different types of players and the choices of trading mechanisms in the foreign exchange market. He graduated in 2002 and was awarded the University Medal. Andrew's success in his honours study, and in his thesis in particular, was the result of hard work and perseverance. He started his thesis earlier than most others, stayed focused and was undeterred by several major hurdles from data acquisition and quality to econometric analyses.

Andrew's first position was working at UBS as an equity and derivatives trader.

Case 2: David Jacobs, First Class Honours with University Medal, 2003

David Jacobs excelled throughout his honours year and topped his class of 16 students in the thesis and overall honours assessment. His thesis topic was on the efficacy of the foreign exchange market intervention by the Reserve Bank of Australia. His thesis was judged to be of highest quality amongst his peers and attracted one of the highest marks awarded in the school's history. He was awarded with the University Medal for his efforts. The contributing factors of his success include amongst others: diligence, persistence, solid quantitative training prior to the honours year, and hard work.

David works at the domestic markets department of the Reserve Bank of Australia.

Case 3: Yosuke Hall, First Class Honours with University Medal, 2005

Yosuke Hall studied a combined Commerce and Science degree with majors in Mathematics and Finance. His honours thesis examined the Bank of Japan's interventions in the foreign exchange market. The focus of Yosuke's analysis was to investigate the role of both domestic and international market developments and their potential differing influence on the Bank of Japan's intervention decisions. Yosuke graduate in 2005 and was awarded the University Medal. Yosuke's success in his honours year can be attributed to his focus, dedication and commitment to ensure a thorough and complete analysis for his thesis.

Yosuke is currently working at Goldman Sachs JBWere for the Leveraged & Acquisition Finance team within the Investment Banking Division.

2. Application Procedure and Admission Criteria

Entry into the BCom Honours in Finance program is open to all outstanding students who have completed their BCom degree requirements with a Major in Finance and have completed a minimum of seven finance courses (one of which must be FINS3775 Research Methods 1). Students in double degree programs at UNSW may do the honours year prior to or after their second degrees. Students with comparable qualifications may apply from other institutions. Further information may be found at

<http://www.unsw.edu.au/futureStudents/undergrad/sad/fundergraduate.html>
<http://www.unsw.edu.au/futureStudents/undergrad/sad/entryreq.html#Honours>

Applicants to the honours program in finance should send the following materials to Ms. Shirley Webster, School of Banking and Finance, University of New South Wales, UNSW SYDNEY NSW 2052:

- a cover letter highlighting the background and strengths of the applicant (a formal application form may be required, check school's web site towards the end of session 2, 2007)
- a copy of your CV and academic transcript,
- and other supporting documents (e.g. awards, research papers), if any.

Applicants can contact Shirley at 02-9385-5855 for Q&As. The deadline for application is November 30, 2007. Applicants should submit an academic transcript for S2, 2007 as soon as it is available.

The *baseline requirements* for admission to the honours program are

- (i) the applicant has never failed any (FINS and non-FINS) course and has
- (ii) completed a minimum of seven finance courses (two optional courses in addition to the five compulsory courses: FINS1612, FINS1613, FINS2624, FINS3616, FINS3775)
- (iii) the applicant has achieved an overall average of 75/100 for all finance courses and should not have a grade below 65 in any of the FINS courses

Admission is based on whether the applicant is deemed to be able to achieve first class honours (average 85 and above during the honours year, see honours weighting scheme in section 9, page 6), or honours 2-1 (average 75 and above during the honours year). The admission decision will be notified in early January.

3. Financial Support

There will be faculty funded scholarships available. Further information regarding the amount of scholarships and the application form will be made available in the Faculty's web site (<http://wwwdocs.fce.unsw.edu.au/fce/current/HonoursScholarshipApplicationForm.pdf>).

Faculty scholarship

A full scholarship worth \$5,000 will be available. More information will be made available on the honours web site.

University Scholarship

Various scholarships are available for 2008. More information is available from the scholarship's office

(<http://www.scholarships.unsw.edu.au/98calts3.htm#UGRDHonsFaculty>).

It is worth \$1,200.

Other scholarships

Students who are accepted into the honours program are eligible to apply for scholarships provided by the Capital Market Collaborative Research Centre (CMCRC) or other industry bodies. The scholarships are open to honours students in all Australian universities and are awarded on the basis of merit. Students who are awarded school's scholarships are not prevented from applying for the CMCRC scholarships. Information on CMCRC scholarships can be found at http://www.cmcrc.com/scholarships/Honours_sch/index.html

Casual Teaching

A number of qualified honours students may be employed as casual tutors in the school. A formal application is required. Further information will be posted on the honours web site.

4. Course Work

Session 1 or 2 of year 3

FINS3775 Research Methods in Finance 1

Session 1 of fourth year (subject to minor adjustment)

3 courses are compulsory

FINS4774 Financial Decision Making Under Uncertainty

FINS4776 Advanced Topics in Asset Pricing

FINS4779 Research Methods in Finance 2

Plus one elective from

FINS4777 Advanced Topics in Corporate Finance

FINS4781 Special Topics in Finance

The four courses contribute 50% towards the honours grade (each course is worth 12.5%)

Session 2

FINS4795 Thesis (Finance)

The thesis is worth 50% of the total mark.

5. Thesis

The thesis requirements are:

- (a) It is to be written on an approved topic (see below).
- (b) Its length is to be no more than 100 pages including all its components (main text, tables, figures, appendices, etc.) but not including references. A document with style requirement is available online.
- (c) A research proposal must be submitted by the last week of April 2008, to the approved supervisor, with a copy to the Director of Undergraduate Honours Program.
- (d) A project seminar will be held in the first (and second, if necessary) week/s of May 2008 and each student will present their research proposal for comments and discussions before other students and staff.
- (e) By the end of second week of session 2, each student must provide Honours director with a written report on the progress of his/her thesis to that time, together with a timetable outlining dates for completing drafts of each of the chapters.
- (f) Completed drafts of each chapter must be submitted to the supervisor for comments and suggestions for revision. It is expected that Honours students report to and consult with their supervisor/s about the progress of their thesis on at least a fortnightly basis.
- (g) Final drafts of thesis must be completed (typed) and submitted to the supervisor no later than last week of October 2008.
- (h) A seminar will be held during the first week of November 2008 and each student will be required to present a synopsis of the thesis for final comments and suggestions from other students and staff.
- (i) Two soft bound copies of completed thesis must be lodged with the honours director by the end of second week in November 2008. These will be sent to examiners. Two hard bound copies (no changes from the soft bound versions are allowed) must be submitted within a week.

Schedule

Date	Action
Friday of week 2, session 1	Submission of names of supervisors and topic areas
Last Friday of April	Submission of thesis proposals approved by supervisors
First week of May	Presentation of thesis proposals
Second week of Session 2	Submission of progress reports and timetables
Last week of October,	Submission of completed drafts of thesis
Second week of November, session 2	Submission of two soft-bound copies of thesis – for grading
Third week of November, session 2	Submission of two hard-bound copies of thesis – for storage

All submissions are made to the Honours Director.

6. Topics and Supervisors

The topic choice is up to you, BUT you have to find a supervisor willing to supervise that topic! The research interests of academic staff are listed in Section 10. Honours students should discuss possible topics with at least one member of the academic staff (lecturers and above) in the School of Banking and Finance, and ascertain their availability to supervise. Students are encouraged to read honours theses completed in previous years (copies are available in the school's office). A thesis proposal must be submitted to the Honours Director in late April and presented to staff for discussion. Any major change in a topic must be approved by the Honours Director after discussion with the supervisor.

Broadly speaking our staff cover the following finance areas in terms of research:

1. Corporate finance (e.g. IPO's and takeovers)
2. International Finance (e.g. exchange rate modeling)
3. Banking (e.g. contract features of term loans or public debt issues, risk and regulation of financial institutions)
4. Market microstructure (e.g. exchange design, the relative merits of competing trading mechanisms, determinants of the bid-ask spread)
5. Funds management (e.g. evaluating (mutual) funds based on different performance measures, trading strategies, international investments)
6. Financial econometrics (e.g. forecasting asset price volatility)
7. Option pricing
8. Risk management

(See school's web site for research interests of staff)

(<http://banking.web.unsw.edu.au/staff/researchindex.shtml>)

How to find a topic

1. Determine the area you are interested in, through reading journal articles (just focus on the abstract, and possibly the introduction and conclusion).
2. For the area you are interested in, do some serious reading to get a good picture of the existing literature (and to see if you still like it).

3. Try to find a niche in that literature (you are supposed to contribute to the literature, the best outcome would be a publication) and speak to potential supervisors about your proposed topic. OR
4. Talk to potential supervisors about your area of interest, and see if they have any specific topic you are interested in. You could also 'fish' for supervisor topics after step 1 above, and see if you are interested in such a topic. You should get some reading material or references from the potential supervisor to see if you like the topic/area.
5. Check out the viability of the topic: Are the necessary data available? Can the project be completed on time? If not, go back to step 3 or 4, or in the worst case, go back to 1 or 2 (especially keep data availability in mind before spending too much time on any proposal!).

7. Data available

Global economic and financial data: Datastream, SIRCA
 Australian company and market data: UBS-Warburg, SIRCA
 US company and market data: CRSP, CompuStat, TAQ

8. Penalty for non-compliance

Failure to comply with the thesis's formal requirements will result in a penalty in terms of marks awarded for the thesis. The university rules for special consideration apply to the thesis. The award of honours degree will be withheld until the hardbound copies of your completed thesis have been lodged with the Honours Director.

9. Award of honours

A weighted-average mark will be calculated for each student at the end of the honours year. The weights for the four courses are 12.5% each. The weight for the thesis is 50%. The degree is awarded with the following honours classes according to the weighted average mark achieved:

First Class Honours	85 HD and above
Second Class Upper Division	75 – 84 DN
Second Class Lower Division	65 – 74 CR
Third Class	55 - 64 PS

To qualify for the award of the University Medal, a prize reserved for our most outstanding students, it is necessary to have a weighted-average mark of at least 90 and no failures recorded in your degree. The UNSW University Medal Committee determines this award upon recommendation from the Australian School of Business.

10. Staff research interests and contact details

http://www2.banking.unsw.edu.au/nps/servlet/portalservice?GI_ID=System.LoggedOutInheritableArea&maxWnd= Research ResearchAreas

Or navigate to the research area of staff from the main page of the school

<http://www.banking.unsw.edu.au>

FOR FURTHER INFORMATION CONTACT

School of Banking and Finance
Australian School of Business
University of New South Wales
UNSW Sydney NSW 2052 Australia

Telephone: 612-9385 5867
Facsimile: 612-9385 6347
E-mail: bankfin@unsw.edu.au

Or visit the web site at: <http://banking.web.unsw.edu.au>

For general information on the degrees offered by the Australian School of Business contact:

The Student Centre
Australian School of Business
University of New South Wales
UNSW Sydney NSW 2052 Australia

Telephone: 612-9385 3187
612-9385 3189
Facsimile: 612-9313 7767
E-mail: ceinfo@unsw.edu.au

Or visit the web site at: <http://www.business.unsw.edu.au>

For international students:

The Student's Centre
International Office
UNSW Sydney NSW 2052
Telephone: 612-9385 6996
Facsimile: 612-9385 7382
E-mail: internationaloffice@unsw.edu.au

Or visit the web site at: <http://www.international.unsw.edu.au>