



UNIVERSITY OF NEW SOUTH WALES
SCHOOL OF BANKING AND FINANCE
FINS2622: **Emerging Capital Markets**
First Semester 2004

Aims

This subject provides an introduction to emerging capital markets. Emerging capital markets have become in vogue as a result of a wave of mass financial liberalization, which occurred towards the end of the 1980s. Emerging financial markets behave differently to developed financial markets because of their level of integration (or conversely degree of segmentation) with world markets. A major aim of this subject is to examine the issues pertinent to investment in emerging financial markets from both the perspective of international investors and policy makers. The issues broadly revolve around financial crises, liberalization and capital flows, pricing of political risks and other risks, governance and financial architecture, and regional integration.

Lecturers, Communication and Teaching Assistant

	Room	Phone	Weeks
Dr. Vince Hooper, Lecturer-in-Charge	QUAD 3023B	9385-5984	1-14
Consultation Thurs 1pm-2pm	QUAD 3023 B	9385-5984	1-14

Lectures will be conducted in Powerpoint. Normally a 1 hour discussion will follow a 2 hour lecture. Students are expected to regularly check the subject WebCT for updates from the lecturer and Teaching Assistant and check their **UNSW student email address**. Lecture notes will be available on the subject WebCT site in pdf format. In addition a Teaching Assistant will be available for consultation for upto 2 hours per week. Time and Venue will be advised on the WebCT site for this subject.

The role of the Teaching Assistant will be to answer routine questions about Self-Assessment Tutorial Assignments (SATAs) and not be available to answer the SATAs for you! The Teaching Assistant is there for guidance and not to do your reading!

Compulsory Readings

Compulsory Readings are available from the subject FINS2622 WebCT site:

<http://webct.edtec.unsw.edu.au/webct/public/home.pl>

These readings will be posted each week on the WebCT site and will need to be read as often. Self-Assessment Tutorial Assignments may refer to them, and more importantly they constitute a major component of the subject and are examinable.

The compulsory prescribed book (which all students should read in its entirety) is

1. "Emerging Financial Markets", David O. Beim and Charles W. Calomiris, *McGraw-Hill-Irwin*. This book is available from the University bookshop.
2. **In addition, students will be given additional readings that will be distributed via the WebCT in pdf format.** It is imperative that students read these articles as they will be used in lectures, class discussion and SATAs and hence are examinable. Students are expected to keep a **subject work folder** where they keep a record of the article and their summary of the article and any further comments that arise during the discussion hour and a copy of their Self-Assessment Tutorial Assignments. These may be asked to be handed in at the end of the subject.
3. Also, students are expected to collect their own relevant articles from the web and library databases, relevant to the subject as this subject is dominated by a *student-centred* research orientated approach which allows you to take greater sovereignty over your learning. The library databases that you may find highly useful are ABI Inform Global, Econ Lit and SFX.

Workload Expectations

It is expected that you will spend at least ten hours per week studying this subject. This time should be made up of reading, research, working on exercises and problems, performing computer tasks and attending classes. In periods where you need to complete assignments or prepare for examinations the workload may be greater.

Over commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and activities.

Assessment Schedule

Fins2622 Emerging Capital Markets assessment lends itself to greater *student orientated learning*.

1. Self-Assessment Tutorial Assignments (SATAs), covering work conducted during the subject will be assessed. Up to 5 or 6 will be assessed over the duration of the subject. Students will be advised at the beginning of each lecture whether they need to hand-in the Self-Assessment tutorial set in the previous lecture. Note Self-Assessment Tutorials **will not** be distributed via the WebCT but handed out in hard copy format in lectures. It is therefore worthwhile to attend lectures. It is advisable to keep a duplicate copy of the Self Assessment Tutorial as these will not normally be returned. **EMAIL SUBMISSIONS ARE UNACCEPTABLE** and will be awarded a mark of zero. Students that do not submit any of the SATAs will be awarded zero for this subject. SATAs should be taken seriously as they will constitute 25% of the total subject assessment. Group work is not permitted for the SATAs and will be penalized accordingly. Success in SATAs will lay the foundation for success in further subject assessment components.
2. Midsession Examination. A midsession examination will be held in Week 10 based on between 7 or 8 Topics from previous weeks. This will constitute 50% of the total subject assessment. The midsession examination will last 3hrs and usually revolve around answering 3 to 4 detailed essay questions. It is important that you commence your revision during the study period as this is a major component of the assessment. It will be important to cite relevant literature provided by both the lecturer and material that you have collected yourself in your subject work folders.
3. Presentations. As the subject progresses you will be divided into groups of no more than 4 and asked to present a research paper to the class in Powerpoint. This will constitute 25% of the subject assessment. More details to follow later in the subject, but the focus must be quantitatively focused. It is important that you document the meetings that take place during the presentation phase of the subject assessment and mode of communication, either face-to-face or using MSN Messenger video conferencing etc.

Failure to complete all assignments will result in a zero mark being awarded for this subject.

To summarise, the breakdown of marks are:

5 to 6 SATAs Equally Weighted	25% (Randomly collected)
Mid-session Examination	50%
Group Presentation and Report	25%
Total	<u>100%</u>

Code of Conduct, University, Faculty and School Rules

The onus is upon the student to be aware of University rules concerning academic conduct. Rules relating to special examination and supplementary examination and assessment are frequently updated and are available on University, Faculty and School websites. These rules apply to this subject and are enforced accordingly.

Supplementary Examinations and Special Consideration

Please follow the University's procedures when applying for a supplementary examination or special consideration **ONLY IN EXCEPTIONAL CIRCUMSTANCES WILL A SUPP BE OFFERED**. If a supplementary examination is held, a Viva-Voce interview with the candidate concerned may also be conducted by a panel of Professors from the School of Banking and Finance.

Education Development Unit

Additional learning support, tailored to the needs of FCE students, is available from the Education Development Unit (EDU) in the Faculty. The EDU offers a range of services for FCE students including:

- o Academic skills workshops run throughout the session;
- o Printed and on-line study skills resources e.g. referencing guide, report writing and exam preparation;
- o A drop-in resource centre containing books and audio visual material that can be borrowed;
- o A limited consultation service for students with individual or small group learning needs.

More information about the EDU services including on-line resources, workshop details and consultation request forms are available from the EDU website.

Contacts and location:

EDU Web: <http://education.fce.unsw.edu.au>

EDU Location: Room 2039, Level 2 Quadrangle Building

EDU services are free and confidential and are available to students of the Faculty of Commerce and Economics.

Other UNSW support

In addition to the EDU services, the UNSW Learning Centre provides academic skills support services for students. The Learning Centre is located on Level 2 of the Library and can be contacted by Phone: 9385 3890 or through their website: <http://www.lc.unsw.edu.au/>. Students experiencing problems of an academic or personal nature are encouraged to contact the Counselling Service at UNSW. This service is free and confidential and run by professional counsellors. The Counselling Service is located on Level 2, Quadrangle East Wing, and can be contact on 9385 5418.

In addition we will also run through data sources and literature databases available for this subject during the first lecture.

Schedule of Topics

Topic 1	Introduction to Emerging Capital Markets The Emerging Markets Phenomenon, B & C chapter 1
Topic 2	Case Study: The Asian Financial Crisis, B & C chapter 7, 8
Topic 3	Financial Repression and Financial Liberalization, B & C chapter 2 Privatisation and Liberalization, B & C chapter 3
Topic 4	Legal Foundations, B & C chapter 4 Information and Control, B & C chapter 5
Topic 5	Corporate Governance
Topic 6	Regional Integration in Capital Markets
Topic 7	Inflation and Currency Stability, B & C chapter 6 Monetary Union
Topic 8	Political Risk in Emerging Capital Markets
Topic 9	Standard and Poors/Moodys Rating Changes and Impact on Emerging Capital Markets Overview of Data Sources for Emerging Capital Markets Research Revision for Midsession Examination
Topic 10	MIDSESSION EXAMINATION
Topic 11, 12, 13	Group Presentations in Powerpoint
Topic 14	Building Financial Institutions, B & C chapter 9 Future Developments in Emerging Markets Contemporary Research in Emerging Markets at UNSW by Honours and PhD Candidates <u>ROLL CALL!!!! AND REVIEW OF SUBJECT</u>

Note: B & C refers to chapters in the prescribed text book by Beim and Calomiris. In addition, extra reading material will be distributed by the Web CT site.