

FACULTY OF COMMERCE AND ADMINISTRATION

TE WĀHANGA TAUHOKOHOKO, WHAKAHAERE



PROSPECTUS
ECONOMICS AND FINANCE

PROSPECTUSES

For information on other subjects, see the relevant Prospectus for that subject area or School. These are available as PDFs online at the University's website:

Undergraduate: www.victoria.ac.nz/home/study/undergrad/prospectusug.aspx

Postgraduate: www.victoria.ac.nz/home/study/postgrad/prospectuspg.aspx

CANCELLATION OF COURSES

The courses offered by the University and listed in this Prospectus may be cancelled by the University as a result of insufficient resources or student demand, or if other unforeseen circumstances arise.

TIMETABLE CHANGES

Timetables can sometimes change. Check the timetable for confirmation of course times www.victoria.ac.nz/timetables/

IMPORTANT NOTICE

Victoria University uses all reasonable skill and care to ensure the information contained in this document is accurate at the time of being made available. However, matters covered by this document are subject to change due to a continuous process of review and to unanticipated circumstances.

The University therefore reserves the right to make any changes without notice. So far as the law permits, the University accepts no responsibility for any loss suffered by any person due to reliance (either whole or in part) on the information contained in this document, whether direct or indirect, and whether foreseeable or not.

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Welcome from the School of Economics and Finance

The School of Economics and Finance offers you over 30 undergraduate courses in economics and finance. These cover, economic theory, financial economics, corporate finance, money, environmental economics, econometrics, behavioural economics and economic history. You can major in economics or finance for a BCA degree or in economics for a BA degree. Further, you can take any of our courses to complement other majors, or as part of your Science or Law degrees. For students who have already completed a degree in another field, the School also offers a Graduate Diploma majoring in either economics or finance.

At the graduate level, the School offers a large number of taught courses for an Honours degree, majoring in either economics or finance. To be recognised as a practising economist or financial analyst, an Honours degree is often essential. Additional courses are also available through the Victoria International Applied Finance programme, which specialises in offering post-experience courses to students already in the finance industry, as well as those students who wish to acquire the skills that will enable them to enter the industry. In addition, the School offers students the opportunity of pursuing advanced study in economics or finance, through our Masters and PhD programmes.

Each year, our courses are taken by over 5,000 students. These courses provide students with a rigorous way of thinking about, and analysing, a wide range of real-world problems. You will greatly increase your understanding of the world around you, and you will learn techniques and ways of thinking that will provide you with an excellent foundation for a career in business, banking, finance, insurance, law, management, marketing, community development, government and politics, public policy, international business, teaching, and research. Students graduating from our School gain employment in a wide range of organisations throughout the world. A number of our students are currently undertaking postgraduate study at leading international universities, including Cornell, New York University, Penn State, and Toulouse.

The School currently has around 23 academic staff. Our teaching and research has generated an impressive record of research articles in leading academic and professional journals, books, reports, and theses. The School is recognised as one of the leading centres for teaching and research – in economics and finance – in Australasia.

The staff of the School of Economics and Finance extends you a warm welcome. We hope you enjoy your chosen programme of study and your other activities at Victoria University of Wellington.

Why Study with Us?

The best reason to study with the School of Economics and Finance is to gain greater understanding of the world around you. Although part of what we do relates to analysing the world of business, some of the most interesting topics we investigate go far beyond business concerns.

A unifying feature of economics and finance is the study of choices, which means that we are ultimately interested in understanding choices in all areas of life. Since our courses offer a clear, concise, and rigorous way of thinking and problem solving, an undergraduate major in economics or finance offers ideal preparation for additional study in accounting, history, management, marketing, information technology, politics and law, and for graduate study in economics and finance as well as for graduate studies in international relations, management, and public policy.

Our courses provide a rigorous analysis of a wide range of real world problems (many of which are not ordinarily thought of as "economics" or "finance") such as poverty, inflation, unemployment, pollution, crime, taxes, asset valuation, portfolio design, inequality, international competition, ethical consumption and investment, economic growth, risk management, corporate strategy and many others.

You don't have to be a maths genius to do economics and finance. Mathematics is an important tool in the economics and finance toolbox, which also includes techniques from the social sciences, the humanities, and business disciplines. While many of our courses do use some mathematics, some don't use mathematics at all. Common sense can be the most important prerequisite, and one which we aim to develop in all our courses. However, if you have enjoyed mathematics at school, and would like to further develop and apply your mathematical skills, we have courses that will tap into and enrich your special talents and contribute to your analytical toolbox.

Completing a degree with one of our majors sends a signal to prospective employers and graduate schools that you are capable of logical and critical thought, that you have fundamental quantitative skills, that you can adapt to changing circumstances, and that you are interested in the "big picture". It will help you become a more rigorous thinker as well as advancing your career goals.

UNDERGRADUATE COURSES IN ECONOMICS AND FINANCE

300 Level (from 2011)

100 Level

- ECON 130** – Economic Principles and Issues
- ECON 140** – Economics and Strategic Behaviour
- FINA 101** – Finance for Business
- QUAN 102** – Statistics for Business
- QUAN 103** – Introductory Mathematics for Business
- QUAN 111** – Mathematics for Economics and Finance



200 Level

- ECON 201** – Intermediate Microeconomics
- ECON 202** – Open-economy Macroeconomics
- ECON 211** – Industrial Organisation
- ECON 212** – Macroeconomics: Growth, Stability and Crisis
- FINA 201** – Introduction to Corporate Finance
- FINA 202** – Introduction to Investments
- FINA 203** – Applied Finance
- QUAN 201** – Introduction to Econometrics
- QUAN 202** – Business and Economic Forecasting
- QUAN 203** – Quantitative Methods for Economics and Finance



- ECON 301** – Econometrics
- ECON 303** – Applied Econometrics
- ECON 305** – Advanced Macroeconomics
- ECON 307** – Public Sector Economics
- ECON 309** – International Trade
- ECON 314** – Game Theory
- ECON 328** – Industry Structure and Business Strategy
- ECON 330** – Law and Economics
- ECON 333** – Labour Economics
- ECON 337** – The World Economy and New Zealand in the 20th Century
- ECON 338** – Monetary Economics
- ECON 339** – Information Economics
- ECON 340** – Environmental and Resource Economics
- ECON 341** – Public Choice and Social Welfare
- FINA 301** – Corporate Finance
- FINA 302** – International Corporate Finance
- FINA 303** – Derivatives
- FINA 304** – Financial Econometrics
- FINA 305** – Investments
- FINA 306** – Financial Economics
- FINA 307** – Risk Management and Insurance
- FINA 308** – Financial Institutions Management

OUR SUBJECTS

ECONOMICS

Economics is a social science, which focuses rigorous argument and thought on many of the major choices facing a modern society. It aims to achieve a clearer understanding of how organisations, firms, markets and economic systems, national and global, work. Topics include the study of different types of markets, the determination of incomes and employment, income distribution, resource allocation, international trade, inflation and business cycles and the effects of government policies. Economics provides a foundation for careers in many fields including accounting, business, marketing, management, public policy, and finance.

You can major in Economics for a BCA or BA degree. It is an excellent complement to professional subjects such as Law, Accounting, Human Resource Management and Industrial Relations, Marketing and Management, as well as other social and natural sciences, Philosophy and Applied Mathematics.

Employment opportunities for graduates can be found in business, financial institutions, government, education and international agencies. Successful economic analysis is both an art, acquired gradually through practice, and a science, requiring quantitative sense and skills. To develop these skills students advancing in Economics must study both Mathematics and Statistics at introductory level, and are encouraged to carry them through to higher levels.

Previous NCEA Study

ECON 130 is the first course introducing students to economic principles and is the prerequisite for ECON 140. However, any student who has attained Achievement with Excellence in NCEA Level 3 AS 90629, 90630, 90631 and 90632, may be exempt from ECON 130, and advance directly to ECON 140.

Mathematical and Statistical Requirements

The learning of Economics is greatly facilitated by some competence in mathematical and statistical ideas and techniques, and for that reason some Mathematics and Statistics is recommended to all students for whom Economics is the major subject of their degree. As a rule, students advancing in Economics should do at least one Mathematics course and at least one Statistics course. Mathematically able students advancing in Economics are encouraged to include additional mathematics and/or statistics courses in their degree. For advice on how to do that, speak to Dr Burnell. Whether you intend doing just the bare minimum or more, it is vital that you plan this aspect of your degree at an early stage.

Mathematics

If you are planning to major in Economics (or study it at 300-level) and you have a reasonable Maths background from secondary school, then you are advised to take QUAN 111 in your first year. QUAN 111 was designed to cover the algebra, calculus and financial mathematics needed for further study in Economics.

If you are not very good at Maths (or have forgotten all you ever learned), then you should take QUAN 103 before doing QUAN 111.

Alternatively, if you are good at Maths and plan to take the more mathematical Economics courses (ECON 201 and 314) or advance in Mathematics, then you could replace QUAN 111 with the pair MATH 142 and 151. That pairing provides a good foundation for 200-level Mathematics courses and is accepted in place of QUAN 111 for the ECON and FINA major requirements.

Statistics

At least one course in Statistics is compulsory for students wishing to major in Economics. The most appropriate course for those wishing to do just one Statistics course is QUAN 102, since it has numerous applications to Economics, but STAT 193 will also be accepted. (Other possible substitutes will be considered individually) For students who want to combine more Statistics with Economics, two alternative possibilities are

- (A) QUAN 102, 201, 203, 301, or

(B) STAT 131, 232 (formerly 231), QUAN 201, ECON301

Students planning to do MCA or BCA(Hons) or MA or BA(Hons) in Economics must include a second Statistics course in their BCA or BA programme, since QUAN 203 (or a substitute acceptable to the Graduate Coordinator) is a prerequisite for entry to these graduate Economics programmes.

Pathways through a BCA degree

If you intend enrolling for a BCA, you may be aware that the degree includes a core consisting of seven courses: ACCY 111, ECON 130, FCOM 111, INFO 111, MARK 101, MGMT 101 and QUAN 102.

In order to progress through an Economics major, students must take ECON 130, ECON 140, QUAN 102 and QUAN 111 (or Statistics and Mathematics equivalents) in their first year. We also strongly encourage BCA students to take ACCY 111 and FCOM 111 in their first year (ACCY for quantitative skills acquired and FCOM for literacy skills). This means that two courses can be chosen from INFO 111, MARK 101 and MGMT 101, to take in the first year, with the remaining core course left till later years without any disruption to majoring or prerequisite requirements.

Planning for Honours or Master's Study in Economics

Prerequisites for BCA and BA Honours in Economics (ECON)

- (a) ECON 201, 202
- (b) ECON 305 or ECON 314
- (c) QUAN 203, or two of (STAT 231 or 232, MATH 206, MATH 207)
- (d) One of (QUAN 201, ECON 301, ECON 303, FINA 304, STAT 291)

Graduate students in other subjects may proceed to an Honours degree in Economics by satisfying the requirements of a Graduate Diploma in Commerce with a specialisation in Economics (see p.27 for details or the Graduate Coordinator for further information).

ECONOMETRICS

Please note that Econometrics is no longer a listed major within the BCA degree, but courses with econometrics content are still very relevant towards majors in Economics or Finance as well as outside majors in other degrees i.e Statistics, Mathematics.

Econometrics is the branch of economics concerned with the empirical estimation of economic relationships. Econometrics uses economic theory, data and statistical theory, as refined into econometric techniques, to measure and test empirically relationships between economic variables, and to make forecasts based on the estimated relationships. The econometric approach is also a valuable skill in many other areas of commerce (including marketing and accounting) and the social sciences; and can be used whenever the aim is to give empirical content to theoretical reasoning. SEF staff are involved in wide-ranging areas of research including environmental economics, labour market research, dynamic games, seasonal time series models, forecasting, the behaviour of macroeconomic variables, the interaction between population and economic growth, catastrophe insurance and insurance claims modelling, analysis of stock prices and returns and consumer demand models.

Courses are taught under the QUAN label at 100 & 200-level, and start by covering basic material in mathematics and statistics with applications in the commerce area. The basic statistical techniques are introduced in QUAN 102. The basic mathematical requirement for studying Econometrics is QUAN 111, and also prepares students for 200-level study in Economics or Finance. If your mathematics background is weak (no maths beyond year 11 or fifth form) or in need of revision, you should consider taking QUAN 103 first and then 111. Students with a good grasp of mathematics could take MATH 141/142 instead of QUAN 111.

After 100-level, regression modelling in econometrics is introduced in QUAN 201, and the core econometric methods and theory is further developed in QUAN 203 and ECON 301. Students who intend to study Econometrics should also consider taking courses that cover more specific techniques and issues in forecasting (QUAN 202), financial econometrics (FINA 304) and/or applied econometrics (ECON 303). Students are also encouraged to take as much 200-level Economics, Mathematics, and Statistics as can fit into their study programme: ECON 201 and 202, MATH 206 and 207, and STAT 232 (formerly STAT 231) are particularly useful.

Honours Study in Econometrics

Graduate courses in Econometrics (ECON 408, 409) are offered as part of the BA or BCA Honours programmes in Economics.

FINANCE

An understanding of financial markets is essential for understanding a modern economy. There are four broad areas to finance: financial securities, financial institutions, financial decision-making by firms, and portfolio choice. Equities, bonds, futures contracts and options are the basic financial securities that are analysed in FINA courses. The classic financial institution is a bank, which accepts deposits and issues loans. Financial decision-making by firms principally comprises the choice of investment projects, the financial securities that are issued in order to finance them, and the dividend policy that distributes the proceeds to investors. Finally individuals must choose the securities they wish to hold. This then leads to the matter of how the prices of financial securities are determined and how individuals' savings are allocated to firms' investment projects.

Previous NCEA Study

Economics provides the intellectual foundation for finance. ECON 130 is the first course introducing students to economic principles and is the prerequisite for ECON 140. However, any student who has attained Achievement with Excellence in NCEA Level 3 AS 90629, 90630, 90631 and 90632, may be exempt from ECON 130, and advance directly to ECON 140.

Mathematical and Statistical Requirements

Finance is a mathematically-oriented subject. The minimum mathematical requirement for the major is QUAN 111 (or the combination of MATH 151 with either MATH 141 or MATH 142). The statistical requirement is QUAN 102, but either STAT 131 or 193 will be accepted in its place. However, additional courses in mathematics and statistics beyond these minimum specifications will be very beneficial, particularly QUAN 203. Students should contact Dr Stephen Burnell for advice.

Combining Finance with Economics or Econometrics courses

Courses in microeconomics are helpful in understanding the ideas presented in FINA courses. Courses in econometrics teach skills useful in implementing these ideas. Some courses in macroeconomics (especially those covering monetary economics) are also directly relevant.

Pathways through a BCA degree

If you intend enrolling for a BCA, you may be aware that the degree includes a core consisting of seven courses: ACCY 111, ECON 130, FCOM 111, INFO 111, MARK 101, MGMT 101 and QUAN 102.

In order to progress through a Finance major, students must take ECON 130, ECON 140, QUAN 102 and QUAN 111 (or Statistics and Mathematics equivalents) in their first year. We also strongly encourage BCA students to take ACCY 111 and FCOM 111 in their first year (ACCY for quantitative skills acquired and FCOM for literacy skills). This means that two courses can be

chosen from INFO 111, MARK 101 and MGMT 101, to take in the first year, with the remaining core course left till later years.

Planning for Honours or Master's Study in Finance

Prerequisites for BCA Honours in Finance

- (a) FINA 201, 202, ECON 201
- (b) FINA 301, 305, 306
- (c) QUAN 203, or two of (STAT 231 or 232, MATH 206, MATH 207)
- (d) One of (QUAN 201, ECON 301, ECON 303, FINA 304, STAT 291)

UNDERGRADUATE DEGREES

The School of Economics is currently in the process of changing its majoring requirements and course structure, as well as changing labelling of the previously known Money and Finance courses (MOFI) to Finance (FINA). The change in majoring requirements and structure began in 2009 with the introduction of 15 point 100-level courses. In 2010, 200-level courses change to 15 points, including the introduction of entirely new courses at this level, and all Finance papers will be labelled FINA. From 2011, 300-level courses will be changed to 15 points, and all Finance papers will be labelled FINA.

The changes in majoring requirements mean that there is a clear distinction between students enrolled before 2009, and those enrolling for the first time in 2009 or later. To assist students, undergraduate course information, and advice is divided into TWO sections:

Section One: for students first enrolled in 2009 or 2010 & Section Two: for students enrolled prior to 2009.

SEF COURSES

The School is responsible for courses in these areas:

- Economics (ECON – Labels)
- Econometrics (QUAN – Labels)
- Finance (FINA or MOFI – Labels)

A list of all courses offered by the School of Economics and Finance follows, showing these details:

- Course code, title, points (pts) value, period taught (see note below)
- Coordinator (academic staff in charge)
- Timetable (lecture times plus frequency of tutorials, workshops, etc.) [Pip] = Courses will be held on the Pipeitea campus [Kel] = at the Kelburn campus. (CRN = Course Reference Number)
- Limitations on entry (^ means a Limited entry course)
- Prerequisite (a course you must have passed before you can enrol in this course)
- Corequisite (a course you must study at the same time as this course, if not already passed)
- Restriction (if you have passed a course listed as a restriction, then you can't take this course)
- Assessment (what coursework counts towards your final mark and how that is calculated)
- Textbooks: books that you must buy are labelled RP, i.e. *required purchase*; if a text is described as *strongly recommended* (SR) or just *recommended* (R), then it is up to you whether you buy it or not. The costs given should be taken as a rough guide only, as prices

are liable to vary. Course notes, reading sets, etc. are usually sold through the Student Notes Distribution Centre, or *SNDC* for short, in the Student Union Building or from Vicbooks Centre at Rutherford House (Pipitea Campus).

Note: In the entries below, the period offered is indicated at the end of the title line.

1/3 means the course is offered in the first trimester (March-June)

2/3 means the course is offered in the second trimester (July-November)

3/3 means the course is offered in the third trimester (November-February)

Courses are listed in numerical order within this sequence:

ECON = Economics courses

FINA/MOFI = Finance courses

QUAN = Econometrics courses

Note for Multi-stream Courses

The streaming arrangement for courses will be such that each lecture time corresponds to a different course number (CRN). In practical terms, enrolment in a particular "lecture time" means you commit to this particular lecture time, but that all the materials, assessment etc will be identical to the other "lecture times". If you wish to change your lecture time you will need to fill in a change of course form, available at the Faculty Student Administration Office, subject to space being available in that particular lecture time. You must not attend a lecture for which you are not enrolled.

SECTION ONE: FOR STUDENTS FIRST ENROLLED IN 2009 OR 2010

In early 2009, the School of Economics and Finance undertook a substantial review of its undergraduate programming. The result was many redesigned and new courses as well as a new majoring structure for both the BCA and BA. These changes, along with the opportunity to now outside or second major from outside the Faculty of Commerce and Administration with Science or Arts and Humanities disciplines will enhance our students learning experience and providing them with relevant and useful degrees into the future.

Majoring requirements for BCA

- | | |
|------------------|---|
| <i>Economics</i> | (a) ECON 130, ECON 140, QUAN 102 (or STAT 131/193), QUAN 111 (or MATH 141/142, 151) |
| | (b) ECON 201 and ECON 202 |
| | (c) One of (ECON 211, 212, FINA 201, QUAN 201, 203, STAT 231*) |
| | (d) Any 45 points from (ECON 301-399, FINA 304, 306, PUBL 303). |
| <i>Finance</i> | (a) ECON 130, ECON 140, QUAN 102 (or STAT 131/193), QUAN 111 (or MATH 141/142, 151) |
| | (b) FINA 201 and 202 |
| | (c) One of (FINA 203, ECON 201, 202, QUAN 201, 203, STAT 231*, ACCY 231) |
| | (d) Any 45 points from FINA 301-399 (ACCY 306 may replace one of those). |

Note:

* From 2010, STAT 231 is no longer offered by the School of Mathematics, Statistics and Operations Research. The new course STAT 232 is a suitable replacement.

Minor requirements for BCA

Students are able to obtain a minor in any commerce subject area not taken as a major by including in their course of study at least 60 points at 200 level or above in that subject, of which at least 30 points are at 300 level.

Majoring requirements for BA in Economics

- (a) ECON 130, ECON 140; QUAN 102 or (STAT 131/193), QUAN 111 or (MATH 141/142, 151)
- (b) ECON 201 and 202
- (c) One of (ECON 211, 212, FINA 201, QUAN 201, 203, STAT 231*)
- (d) Any 45 points from (ECON 301-399, FINA 304, 306, PUBL 303)

Outside or second major requirements for BA (Finance) or BSc (Economics or Finance)

Students are able to obtain an outside or second major in Economics or Finance when completing a BA or BSc degree.

The first major must be in an Arts discipline for a BA or a Science discipline for a BSc, then the outside or second major in Economics or Finance follows the BCA majoring requirement. An important difference in studying for an outside major is that, unlike a BCA degree, students are not obligated to complete the BCA core as part of their study programme.

For specific information on planning your degree, you should contact your Faculty Office Student Adviser.

Course information following relates to courses available for students enrolled in 2009 or 2010
ECONOMICS (ECON)

ECON 130	ECONOMIC PRINCIPLES AND ISSUES	15 POINTS	[1/3,2/3,3/3]
Coordinator:	Dr Stephen Burnell		
Timetable:	1/3 • CRN 10034 • Tue, Thu 2.10-3pm [Kel] 1/3 • CRN 10035 • Tue, Thu 4.10-5pm [Kel] 1/3 • CRN 10036 • Tue, Thu 8-8.50am [Kel] 2/3 • CRN 8721 • Tue, Thu 2.10-3pm [Kel] 3/3 • CRN 8827 • tba		
Restrictions:	ECON 113		
Assessment:	(50-minute multichoice) test 25%, assignments 15%, (2-hour) examination 60%		
Set Texts:	J Stiglitz and C Walsh, <i>Economics</i> , International Student Edition (4 th ed.), W. W. Norton, 2006 (RP, approx \$115).		

An introduction to economic principles and their application to issues facing households, businesses and government in the New Zealand economy and the international economic environment.

Note: *ECON 130 is the first course introducing students to economic principles and is the prerequisite for ECON 140. However, any student who has attained Achievement with Excellence in NCEA Level 3 AS 90629, 90630, 90631 and 90632, may be exempt from ECON 130, and advance directly to ECON 140.*

ECON 140	ECONOMICS AND STRATEGIC BEHAVIOUR	15 POINTS	[2/3, 3/3]
Coordinator:	Dr Stephen Burnell		
Timetable:	2/3 • CRN 8722 • Tue, Thu 8-8.50am [Kel] 2/3 • CRN 10037 • Tue, Thu 3.10-4pm [Kel] 3/3 • CRN 9310 • tba		

Prerequisites: ECON 130
 Assessment: (50-minute multichoice) test 25%, assignment 10%, on-line assignments 5%, examination 60%
 Set Texts: J Stiglitz and C Walsh, Economics, International Student Edition (4th ed.), W. W. Norton, 2006 (RP, approx \$115).

Consumer choice, the strategic behaviour of firms under different market structures, public choice. Implications for management, marketing and public policy decisions, the design of regulatory, fiscal and monetary policies, responses to macroeconomic shocks.

ECON 201	INTERMEDIATE MICROECONOMICS	15 POINTS	[1/3]
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Coordinator: Dr Vladimir Petkov
 Timetable: 1/3 • CRN 1194 • Mon, Fri 10.30-11.20am [Pip]
 Prerequisites: ECON 140
 Assessment: Assignments 20%, test 20%, examination 60%
 Set Texts: J Perloff, *Microeconomics: Theory and Applications with Calculus*, Pearson Addison Wesley (RP, approx \$109)

This course in Intermediate microeconomic analysis includes demand theory and applications of consumer behaviour, analysis of market structures, strategic behaviour, introductory welfare economics and analysis of public goods and externalities.

Note: An introductory mathematics course such as QUAN 111 or QUAN 103 is strongly recommended as preparation for this course (see p.7 for other possibilities).

ECON 202	OPEN-ECONOMY MACROECONOMICS	15 POINTS	[2/3]
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Coordinator: Professor Viv Hall
 Timetable: 2/3 • CRN 1196 • Wed, Fri 10.30-11.20am [Pip]
 Prerequisites: ECON 140
 Assessment: *Either* assignments 15%, test 15%, examination 70%; *or* examination 100%
 Set Texts: O Blanchard, *Macroeconomics*, 5th ed. Pearson Prentice-Hall 2009 (RP, approx \$120)

Applications of an open economy macroeconomic model to macroeconomic issues and policy, including the interdependence of macroeconomic activity and markets, the roles of expectations variables and other dynamic adjustment mechanisms, the significance of international events, exchange rate regimes, inflation, unemployment.

Note: An introductory mathematics course such as QUAN 111 or QUAN 103 will be of considerable assistance for this course (see p.7 for other possibilities).

ECON 211	INDUSTRIAL ORGANISATION	15 POINTS	[2/3]
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Coordinator: Dr Jack Robles
 Timetable: 2/3 • CRN 18051 • Mon, Thu 1.40-2.30pm [Pip]
 Prerequisites: ECON 140
 Restriction: ECON 328
 Assessment: Assignments 30%, test 20%, examination 50%
 Set Texts: S Martin, *Industrial Economics: Economic Analysis & Public Policy*, 2nd ed. Pearson Prentice Hall (RP, approx \$168)

Economic theory combined with empirical evidence in the study of the organisation of firms, industries and markets. The course draws on game theory, transaction cost analysis, information theory and the application of economics to legal issues.

ECON 212	MACROECONOMICS: GROWTH, STABILITY AND CRISES	15 POINTS	[1/3]
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Coordinator: Mr Jerry Mushin
 Timetable: 1/3 • CRN 18052 • Mon, Thu 1.40-2.30pm [Pip]
 Prerequisites: ECON 140
 Restriction: ECON 305

Assessment: Either assignments 15%, test 15%, examination 70%, or examination 100%
 Set Texts: O Blanchard, *Macroeconomics*, 5th ed. Pearson Prentice-Hall 2009 (RP, approx \$120); Course Readings (RP, approx \$15), available from Vicbooks, Pipitea Campus

An introduction to dynamic macroeconomic processes and recurrent problems, including the recent global instability. Themes covered include the theory of economic growth, productivity, business cycle theory, money and the causes of banking crises, exchange rates and the international transmission of these processes.

Available from 2011

ECON 301	ECONOMETRICS	15 POINTS
Prerequisites:	ECON 201/202 or FINA 201/202; QUAN 201/203 OR STAT 231	
Restriction:	QUAN 301	
This course develops econometric methods including Ordinary Least Squares (with matrix algebra), instrumental variables estimation; maximum likelihood estimation; stationery time series; unit roots; cointegration; VAR models.		
ECON 303	APPLIED ECONOMETRICS	15 POINTS
Prerequisites:	ECON 201/202 or FINA 201/202; QUAN 201/203 OR STAT 231	
Restriction:	QUAN 303	
This course focuses on important classic and contemporary applications of econometrics and the empirical application of econometric techniques. Applications may include the measurement of quality change, the determinants of wages, and models for investment expenditures.		
ECON 305	ADVANCED MACROECONOMICS	15 POINTS
Prerequisites:	ECON 202; QUAN 111 or (MATH 141/142, 151)	
Corequisites:	ECON 212	
This course explores the properties of short-run and medium-run macroeconomics equilibria in a small open economy with monopolistically competitive firms, strategic bargaining behaviour in factor markets, and other potential sources of price stickiness and adjustment lags.		
ECON 307	PUBLIC SECTOR ECONOMICS	15 POINTS
Prerequisites:	ECON 201 OR (ECON 140, PUBL 203/209)	
Restriction:	PUBL 303	
This course focuses on important classic and contemporary applications of econometrics and the empirical application of econometric techniques. Applications may include the measurement of quality change, the determinants of wages, and models for investment expenditures.		
ECON 309	INTERNATIONAL ECONOMICS	15 POINTS
Prerequisites:	ECON 201	
Theories of international specialisation, trade and growth, with consideration given to both the positive and normative effects of government policies relating to international trade. The course will also include an introduction to theories of the determinants of exchange rates.		
ECON 314	GAME THEORY	15 POINTS
Prerequisites:	ECON 201; QUAN 111 or (MATH 141/142, 151)	
This course introduces and develops game theory and its applications.		
ECON 330	LAW AND ECONOMICS	15 POINTS
Prerequisites:	ECON 140, 15 pts from (COML/ECON 201-299 or LAWS 201-289)	
Restriction:	LAWS335	

An introduction to the economic analysis of law and legal institutions. The course covers issues in the economic analysis of tort law, property law, contract law, criminal law, litigation and settlement, as well as corporate and antitrust law.

ECON 333	LABOUR ECONOMICS	15 POINTS
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Prerequisites: ECON 210; QUAN 102 or STAT 131/193

The determinants of wages and employment, education and training; immigration; inequality and discrimination; incentives, careers and contracts; collective bargaining; economic aspects of employment law; unemployment and labour market policies.

ECON 338	MONETARY ECONOMICS	15 POINTS
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Prerequisites: ECON 202/212; QUAN 111 or (MATH 141/142, 151)

Restriction: MOFI 303

The role of money in various issues in macroeconomics, with particular attention to monetary theory and its policy implications. Topics include inflation, international monetary systems, capital, central banking, banking theory, and government debt.

ECON 339	INFORMATION ECONOMICS	15 POINTS
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Prerequisites: ECON 201; QUAN 111 or (MATH 141/142, 151)

The economics of information and incentives. Topics covered include efficiency; complete and incomplete verifiability; uncertainty, expected utility and insurance; moral hazard; selection, screening and lemons; auctions.

ECON 340	ENVIRONMENTAL AND RESOURCE ECONOMICS	15 POINTS
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Prerequisites: ECON 201

Topics include property rights and transactions costs; environmental externalities and associated missing markets; valuation of environmental resources; irreversibility and its economic implications under uncertainty; economics of pollution control; economics and natural resource use; decision-making under New Zealand's Resource Management Act.

ECON 341	PUBLIC CHOICE AND SOCIAL WELFARE	15 POINTS
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Prerequisites: ECON 201; QUAN 111 or (MATH 141/142, 151)

An introduction to the field of political economy. Topics include the behaviour of voters, candidates, legislatures, interest groups, political parties, and the media; distortion of political decisions; the optimal design and evolution of political institutions.

ECONOMETRICS (QUAN)

QUAN 102	STATISTICS FOR BUSINESS	15 POINTS	[1/3,2/3,3/3]
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Coordinator: Dr Leigh Roberts

Timetable: 1/3 • CRN 1482 • Tue, Thu 9-9.50am [Kel]
 1/3 • CRN 4501 • Tue, Thu 11-11.50am [Kel]
 2/3 • CRN 5010 • Tue, Fri 9-9.50am [Kel]
 2/3 • CRN 16016 • Tue, Fri 11-11.50am [Kel]
 3/3 • CRN 7212 • tba

Restrictions: STAT 193

Assessment: 2 Tests 40%, assignment 10%, examination 50%

Set Texts: M Clark and J Randal, *A First Course in Applied Statistics*, Pearson 2004 (RP, approx \$57)

An introduction to techniques useful in business research or practice. Topics include summary statistics, correlation and bivariate regression; probability, binomial and normal distributions; estimation and hypothesis testing (z, t, chi-square tests), and p-values.

QUAN 103	INTRODUCTORY MATHS FOR BUSINESS	15 POINTS	[1/3]
Coordinator:	Dr Jacek Krawczyk		
Timetable:	1/3 • CRN 6105 • Wed, Thu 12-12.50am [Kel]		
Restrictions:	MATH 132, 103 or 141, 113 or 142, 114 or 151, QUAN 111*		
Assessment:	Either test 30%, examination 70% or examination 100%		
Set Texts:	P Proffitt, <i>Maths Made Easy</i> , Pearson Education (RP, approx \$34.95)		
An introduction to mathematics with applications in business: basic algebra, functions, one-variable differentiation, introductory financial mathematics, basic linear algebra.			
* subject to approval.			
Note: This course is intended for students who are very weak at maths or who have done very little before. Others should take QUAN 111 instead. Previously a B+ in this course was accepted as a substitute for QUAN 111, from 2010 this will no longer be accepted.			
QUAN 111	MATHEMATICS FOR ECONOMICS AND FINANCE	15 POINTS	[2/3]
Coordinator:	Dr Mohammed Khaled		
Timetable:	2/3 • CRN 6107 • Mon, Thu 9-9.50am [Kel] 2/3 • CRN 6469 • Mon, Thu 11-11.50am [Kel]		
Restrictions:	any pair (MATH 103/113 or 142) or (MATH 104/114 or 151)*		
Assessment:	Any combination 2 tests 40%, examination 60% or examination 100%		
Set Texts:	P de Boer and M Khaled, <i>Mathematics for Business and Economics</i> , 2 nd ed. Pearson Education (RP, approx \$45)		
Mathematical methods appropriate for study of economics and finance: set theory, functions, calculus of functions of one or several variables, financial mathematics, vectors, matrices and systems of linear equations.			
* subject to approval.			
Note: Students with a weak mathematical background will benefit greatly from taking QUAN 103 before QUAN 111.			
QUAN 201	INTRODUCTION TO ECONOMETRICS	15 POINTS	[1/3]
Coordinator:	Dr Mohammed Khaled		
Timetable:	1/3 • CRN 1483 • Mon, Wed 9.30-10.20am [Pip]		
Prerequisites:	ECON 130, QUAN 102 (or STAT 131/193); QUAN 111 or (MATH 141/142, 151)		
Restrictions:	the pair (QUAN 203, STAT 231)		
Assessment:	Assignments 20%, test 30%, examination 50%		
Set Texts:	M Khaled, <i>Introduction to Modern Econometrics with Applications</i> , Pearson/Prentice-Hall 2008, (RP, approx \$99)		
The course briefly reviews key statistical concepts and gives a detailed discussion of the simple regression model, followed by treatment of multiple regression models. Case studies use econometric computer software.			
QUAN 202	BUSINESS AND ECONOMIC FORECASTING	15 POINTS	
Prerequisites:	ECON 130, QUAN 102 (or STAT 131/193); QUAN 111 or (MATH 141/142, 151)		
Basic concepts of forecasting; smoothing and seasonal adjustment, forecasting via adaptive procedures, ARIMA models, and the use of explanatory variables, the evaluation and combination of forecasts. Computer software is used to illustrate all aspects of the course			
Not offered in 2010			
QUAN 203	QUANTITATIVE METHODS FOR ECONOMICS AND FINANCE	15 POINTS	[2/3]
Coordinator:	Dr John Randal		
Timetable:	2/3 • CRN 13095 • Tue, Thu 10.30-11.20am [Pip]		
Prerequisites:	ECON 130, QUAN 102 (or STAT 131/193); QUAN 111 or (MATH 141/142, 151)		
Restrictions:	the pair (QUAN 201, STAT 231)		
Assessment:	Test 25%, examination 75%		

Set Texts: R Hogg and E Tanis, *Probability and Statistical Inference*, 7th ed. Pearson 2005 (RP, approx \$100)

Quantitative methods for advanced study in economics and finance. Topics include calculus of functions of several variables; matrices and quadratic forms; distribution theory; expectations, with applications to problems in economics and finance.

Further Econometrics courses are available at 300-level under the ECON and FINA labels

FINANCE (FINA)

FINA 101 FINANCE FOR BUSINESS 15 POINTS

Prerequisites: ECON 130, QUAN 102 (or STAT 131/193)

An introduction to the principles of finance and their application to issues facing businesses and individual investors. Extensive use will be made of spreadsheets.

Not offered in 2010

FINA 201 INTRODUCTION TO CORPORATE FINANCE 15 POINTS [1/3]

Coordinator: Dr Stephen Keef

Timetable: 1/3 • CRN 18176 • Tue, Thu 10.30-11.20am [Pip]

1/3 • CRN 18601 • Tue, Thu 11.30-12.20pm [Pip]

Prerequisites: ECON 140, QUAN 102 (or STAT 131/193); QUAN 111 (or MATH 141/142, 151)

Restrictions: MOFI 201

Assessment: Either test 33%, examination 67%, or examination 100%

Set Texts: S Ross, R Westerfield & J Jaffe, *Corporate Finance*, 9th ed. McGraw-Hill, 2009, (SR, approx \$125)

An introduction to the fundamental concepts in corporate finance. Topics include the net present value method, alternative investment rules, capital budgeting, and theories of capital structure.

FINA 202 INTRODUCTION TO INVESTMENTS 15 POINTS [2/3]

Coordinator: Dr Martin Lally

Timetable: 2/3 • CRN 18177 • Tue, Thu 12.40-1.30pm [Pip]

Prerequisites: ECON 140, QUAN 102 (or STAT 131/193); QUAN 111 (or MATH 141/142, 151)

Assessment: Test 40%, examination 60%

Set Texts: S Ross, R Westerfield & J Jaffe, *Corporate Finance*, 9th ed. McGraw-Hill, 2009 (SR, approx \$125)

An introduction to the institutions, markets and instruments of a modern financial system, as well as the theory and practice of asset valuation and portfolio selection.

FINA 203 APPLIED FINANCE 15 POINTS

Prerequisites: ECON 140, QUAN 102 (or STAT 131/193); QUAN 111 or (MATH 141/142, 151)

This course applies finance theories to problems involving corporate and personal financial decision making, and the principles of valuation to common situations. Extensive use will be made of spreadsheets.

Not offered in 2010

Available from 2011

FINA 301 CORPORATE FINANCE 15 POINTS

Prerequisites: FINA 201, 202

Restriction: MOFI 301

Significant aspects of financial decision marketing by firms, including capital structure, capital budgeting, and dividend decisions. The primary focus will be upon normative theory, i.e. decisions that maximise the market value of the firm.

FINA 302	INTERNATIONAL CORPORATE FINANCE	15 POINTS
Prerequisites: FINA 201		
This course examines exchange rate behaviour and the implications for corporate financial management. Topics include modelling exchange rate behaviour; foreign exchange risk management, with applications to international debt raising, financial management, and hedging exchange rate risk; and international portfolio choice.		
FINA 303	DERIVATIVES	15 POINTS
Prerequisites: FINA 202, QUAN 201/203		
Restriction: QUAN 371		
This course examines futures, options and other common derivative contractors, including the details of derivatives markets quotation and trading. Topics include pricing derivatives and their use for hedging and speculation.		
FINA 304	FINANCIAL ECONOMETRICS	15 POINTS
Prerequisites: FINA 202, QUAN 201/203		
Restriction: QUAN 304		
This course develops tools for analysing financial time series and estimating and testing simple finance models. Topics include the predictability of asset returns; the Capital Asset Pricing Model; and generalised autoregressive conditional heteroskedastic models.		
FINA 305	INVESTMENTS	15 POINTS
Prerequisites: FINA 201, 202		
Restriction: MOFI 305		
This course examines the problem of portfolio management confronted by individuals and pension plans. Topics covered include preferences for risk, valuation of stocks, portfolio allocation and an introduction to derivative pricing. The course aims to provide students with the tools necessary to work in this area, along with a solid grounding in the financial theory behind the models used.		
FINA 306	FINANCIAL ECONOMICS	15 POINTS
Prerequisites: B or better in ECON 201; QUAN 102 (or STAT 131/193); QUAN 111 or (MATH 141/142, 151)		
Restriction: MOFI 306		
This course bridges the gap between undergraduate and honours-level study in economics and finance. It reinforces and extends the theoretical basis of decision making as it applies to asset pricing and corporate finance. It is intended for students who have an interest in pursuing honours-level study in economics and finance at VUW.		
FINA 307	RISK MANAGEMENT AND INSURANCE	15 POINTS
Prerequisites: FINA 201/202/203		
Restriction: QUAN 371		
Issues involved in managing the risks associated with running financial markets to transfer and share risk; financial risk management case studies; insurance as a means of transferring and sharing risk; recent developments in insurance markets.		
FINA 308	FINANCIAL INSTITUTIONS MANAGEMENT	15 POINTS
Prerequisites: FINA 201/202/203		
Issues involved in managing the risks associated with running financial institutions. Topics include the identification, measurement and management of credit risk, interest rate, liquidity and foreign exchange risk; capital adequacy regimes; other operational requirements for financial institutions.		

BCA DOUBLE MAJOR PROGRAMMES with ECON/FINA

Economics and Finance are both excellent complements to professional subjects such as Law, Accounting, Human Resource Management & Industrial Relations, Marketing and Management, as well as other social and natural sciences, Philosophy and Applied Mathematics.

Note

- (a) These first-year recommendations for double major programmes presume eight courses taken per year in just the first and second trimesters; clearly some rearrangement is possible if a higher workload is taken or extra courses are included in the summer trimester.
- (b) Students who plan to include advanced Mathematics courses in their degree should replace QUAN 111 with MATH 141 (or 142) and 151.
- (c) The BCA core consists of seven courses: ACCY 111, ECON 130, FCOM 111, INFO 101, MARK 101, MGMT 101 and QUAN 102.
- (d) Economics majors must take ECON 130 and 140 in their first year. They are also very strongly encouraged to take both QUAN 102 and 111 (or Statistics and Mathematics equivalents). Finance majors must complete all four courses - ECON 130 and 140, QUAN 102 and 111 – in their first year. We also strongly encourage BCA students to take ACCY 111 and FCOM 111 in their first year (ACCY for quantitative skills acquired and FCOM for literacy skills). This means that two courses can be chosen from INFO 101, MARK 101 and MGMT 101, to take in the first year, with the remaining core course left till later years.
- (e) Students taking MATH 141 (or 142) and 151 will have to leave two BCA core courses till later years. A first year programme could consist of ECON 130, ECON 140, QUAN 102, MATH 141, MATH 151, ACCY 111, FCOM 111, plus one other BCA core course.
- (f) Students should check which trimesters courses are offered in, and that the times for the ones you choose do not clash.

ECON/FINA Economics & Finance - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, plus two other BCA core courses.

FINA/ACCY Finance & Accounting - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, ACCY 001, plus two other BCA core courses.

ECON/ACCY Economics & Accounting - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, ACCY 001, plus two other BCA core courses.

ECON/COML Economics & Commercial Law - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, plus two other BCA core courses.

FINA/COML Finance & Commercial Law - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, plus two other BCA core courses.

ECON/HRIR Economics & Human Resource Management and Industrial Relations - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, MGMT 101, plus one other BCA core course.

ECON/IBUS Economics & International Business - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, MGMT 101, plus one other BCA core course.

FINA/IBUS Finance & International Business - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, MGMT 101, plus one other BCA core course.

ECON/MARK Economics & Marketing - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, MARK 101, plus one other BCA core course.

ECON/MGMT Economics & Management - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, MGMT 101, plus one other BCA core course.

ECON/MBUS Economics & Māori Business - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, MGMT 101, plus one other BCA core course.

ECON/PUBL Economics & Public Policy - Year 1

ECON 130, ECON 140, QUAN 102, QUAN 111, ACCY 111, FCOM 111, plus two other BCA core courses.

SECTION TWO: FOR STUDENTS ENROLLED PRIOR TO 2009

In early 2009, the School of Economics and Finance undertook a substantial review of its undergraduate programming. The result was many redesigned and new courses as well as a new majoring structure for both the BCA and BA.

The most obvious change is the BCA majoring label from 'Money and Finance' to 'Finance'. Along with this change, all courses associated with Finance will be changed from MOFI to FINA. Another change is that the BCA major in Econometrics will no longer be available, although courses in Econometrics will still be available in the Economics and Finance offerings.

The majoring structure redesign comes into effect from 2009, and has been combined with the Faculty of Commerce and Administration changing of points values for most of its BCA courses to 15 points. The new 15-point 200-level courses will be introduced in 2010, and 300-level courses in 2011.

This results in a transitional period of new and old courses during 2010. 200-level courses as well as now being 15 points have changed from MOFI to FINA labels for Finance courses, and there are several new 200-level ECON labelled courses. In 2011 all our new and re-labelled FINA and ECON will start.

Transition

The official transition arrangements are outlined as follows:

Students enrolled in the BCA before 2009 will be permitted to complete the Econometrics major under the 2008 statute, if necessary substituting ECON 301 and 303 for QUAN 301 and 303, respectively, and FINA 304 for QUAN 304. Students enrolled in the BCA before 2009 will be permitted to complete the MOFI major under the 2008 statute, if necessary substituting FINA 201 for MOFI 201 and any 300-level FINA course for MOFI 202. Students completing the ECON or FINA majors for the BCA under the 2009 statute who have passed 22 or 24-point ECON, MOFI or QUAN courses will be permitted to substitute them for any 15-point courses which are restricted against them.

From 2010, QUAN 103 cannot be used to replace QUAN 111 for an ECON, FINA or MOFI major.

The following transitional arrangement will apply:

If a student has passed QUAN 103 before 2010 they will be granted a prerequisite waiver in order to take FINA 201. If a student has passed QUAN 103 with a grade of B+ or better before 2010, then they will be granted a prerequisite waiver for QUAN 111 for any other ECON or FINA/MOFI course. Students will have to get a waiver form signed by the School. This transitional arrangement will exist for 2010 and 2011 only.

Practical Advice on:

Completing an BCA Econometrics major

For students that planned to complete their Econometrics major in the first trimester 2010 (by taking QUAN 304). If a student is able to complete their BCA by the end of the first trimester in 2010 (they have four courses, or less, to take in 2010), indicates they will not be a student at Victoria in the second trimester, and they have only QUAN 303/4 to take to complete their Econometrics major, then they will be allowed to complete their Econometrics major by passing either ECON 408 or QUAN 371. This offer will be contingent on the student enrolling (and remaining enrolled throughout the trimester) in enough courses to complete their degree by the end of the first trimester.

Options for students who end 2009 with only:

QUAN 201

In 2010, take QUAN 203 (or STAT 232), one of ECON 201 or ECON 202, plus QUAN 301 and QUAN 303 (or QUAN 304). If some courses are left till 2011, then ECON 301 may replace QUAN 301, ECON 303 may replace QUAN 303, and FINA 304 may replace QUAN 304. A minimum of 39 appropriate 300-level points must be completed.

QUAN 203 (or STAT 232)

In 2010, take QUAN 201, one of ECON 201 or ECON 202, plus QUAN 301 and QUAN 303 (or QUAN 304). If some courses are left till 2011, then ECON 301 may replace QUAN 301, ECON 303 may replace QUAN 303, and FINA 304 may replace QUAN 304. A minimum of 39 appropriate 300-level points must be completed.

One of ECON 201 or ECON 202

In 2010, take QUAN 201, QUAN 203 (or STAT 232), plus QUAN 301 and QUAN 303 (or QUAN 304). If some courses are left till 2011, then ECON 301 may replace QUAN 301, ECON 303 may replace QUAN 303, and FINA 304 may replace QUAN 304. A minimum of 39 appropriate 300-level points must be completed.

No appropriate 200-level points

Take QUAN 201, QUAN 203, one of ECON 201 or ECON 202, plus ECON 301, ECON 303, and FINA 304.

Completing a BA Economics major

Options for students who end 2009 with only:

22 points from appropriate 200-level courses (ECON 201, ECON 202, MOFI 202, QUAN 201 (or QUAN 203 or STAT 231))

In 2010, take 45 points from appropriate 200-level courses (ECON 201, ECON 202, ECON 211, ECON 212, FINA 201, QUAN 201, QUAN 203), plus two courses from ECON 305-333 (one of these may be replaced by MOFI 303 or PUBL 303 or QUAN 301)

If some courses are left till 2011, then a minimum of 59 appropriate 200-level points plus a minimum of 45 appropriate 300-level points must be completed.

44 points from appropriate 200-level courses (ECON 201, ECON 202, MOFI 202, QUAN 201 (or QUAN 203 or STAT 231))

In 2010, take 15 points from appropriate 200-level courses (ECON 201, ECON 202, ECON 211, ECON 212, FINA 201, QUAN 201, QUAN 203), plus

two courses from ECON 305-333 (one of these may be replaced by MOFI 303 or PUBL 303 or QUAN 301)

If some courses are left till 2011, then a minimum of 59 appropriate 200-level points plus a minimum of 45 appropriate 300-level points must be completed.

66 points from appropriate 200-level courses (ECON 201, ECON 202, MOFI 202, QUAN 201 (or QUAN 203 or STAT 231))

In 2010, take two courses from ECON 305-333 (one of these may be replaced by MOFI 303 or PUBL 303 or QUAN 301)

If some courses are left till 2011, then a minimum of 45 appropriate 300-level points must be completed.

No appropriate 200-level points

Complete the ECO majoring requirements. An appropriate 24-point 300-level course may be substituted for a 15-point 300-level ECO course.

Completing a BCA Economics major.

Options for students who end 2009 with only:

ECON 201

In 2010, take ECON 202, plus two courses from ECON 305-333 (one of these may be replaced by MOFI 303 or PUBL 303 or QUAN 301)

If some courses are left till 2011, then a minimum of 45 appropriate 300-level points must be completed.

ECON 202

In 2010, take ECON 201, plus two courses from ECON 305-333 (one of these may be replaced by MOFI 303 or PUBL 303 or QUAN 301)

If some courses are left till 2011, then a minimum of 45 appropriate 300-level points must be completed.

ECON 201 and ECON 202

In 2010, take two courses from ECON 305-333 (one of these may be replaced by MOFI 303 or PUBL 303 or QUAN 301)

If some courses are left till 2011, then a minimum of 45 appropriate 300-level points must be completed.

Neither ECON 201 nor ECON 202

Complete the ECON majoring requirements. An appropriate 24-point 300-level course may be substituted for a 15-point 300-level ECON course.

Completing a Money and Finance major

Options for students who end 2009 with only:

MOFI 201

In 2010, take three courses from MOFI 301-306 (one of these may be replaced by ACCY 306 or ECON 305 or ECON 309 or QUAN 371)

If some courses are left till 2011, then a minimum of 72 appropriate 300-level points must be completed.

MOFI 202

In 2010, take FINA 201, plus two courses from MOFI 301-306 (one of these may be replaced by ACCY 306 or ECON 305 or ECON 309 or QUAN 371)

Notice, MOFI 301 and 305 both require FINA 201 and 202 as prerequisites

If some courses are left till 2011, then a minimum of 45 appropriate 300-level points must be completed.

MOFI 201 and MOFI 202

In 2010, take two courses from MOFI 301-306 (one of these may be replaced by ACCY 306 or ECON 305 or ECON 309 or QUAN 371)

If some courses are left till 2011, then a minimum of 45 appropriate 300-level points must be completed.

Neither MOFI 201 nor MOFI 202

Complete the FINA majoring requirements. An appropriate 24-point 300-level course may be substituted for a 15-point 300-level FINA course.

The course information following relates to courses available for students enrolled prior to 2009. 15 point, 200-level courses from Section One are also available.

ECONOMICS (ECON)

ECON 305	MACROECONOMICS: GROWTH, BUSINESS CYCLES AND SUSTAINABILITY	24 POINTS	[1/3]
Coordinator:	Professor Viv Hall		
Timetable:	1/3 • CRN 1203 • Mon, Tue, Thu 3.40-4.30pm [Pip]		
Prerequisites:	ECON 202; QUAN 111 (or MATH 113, 114)		
Assessment:	<i>Either</i> assignments 20%, two tests 30%, examination 50%; <i>or</i> examination 100%		
Set Texts:	S D Williamson <i>Macroeconomics</i> , Addison Wesley 2003 (RP, approx \$120); W Carlin & D Soskice, <i>Macroeconomics: Imperfections, Institutions and Policies</i> Oxford University Press 2005 (RP, approx \$160)		
Modern business cycle models and key theories of economic growth; alternative expectations formation processes, wealth effects, the roles of imported intermediate and non-traded goods and imperfect competition in goods and/or factor markets; the government budget constraint, the balance of payments constraint, economic stability and debt sustainability.			
ECON 309	INTERNATIONAL ECONOMICS	24 POINTS	[2/3]
Coordinator:	Mr Paul Tompkinson		
Timetable:	2/3 • CRN 1206 • Mon, Tue, Thu 11.30-12.20pm [Pip]		
Prerequisites:	ECON 201 or ECON 202; QUAN 111 (or MATH 113,114)		
Assessment:	Assignments 40%, examination 60%		

Set Texts: P R Krugman and M Obstfeld, *International Economics*, 8th ed. Pearson Addison Wesley (RP, approx \$110); Course notes (RP, approx \$12), available from Vicbooks, Pipitea Campus

Theories of international specialisation, trade and growth; tariffs and commercial policy, economic integration; the balance of payments; adjustment mechanisms and policies; internal and external balance and policy selection; the international monetary system.

ECON 314	MICROECONOMICS: INFORMATION AND MARKETS	24 POINTS	[2/3]
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Coordinator:	Dr Paul Calcott
Timetable:	2/3 • CRN 1210 • Mon, Tue, Fri 9.30-10.20am [Pip]
Prerequisites:	ECON 201; QUAN 111 (or MATH 113,114)
Assessment:	Assignments 30%, test 20%, examination 50%
Set Texts:	J Watson, <i>Strategy: An Introduction to Game Theory</i> , 2 nd ed. W W Norton 2007 (SR, approx \$115)

Expected utility theory, game theory and the economics of asymmetric information are introduced and developed. Applications are made to oligopoly, bargaining, auctions, insurance markets and managerial contracts.

ECON 328	INDUSTRY STRUCTURE AND BUSINESS STRATEGY	24 POINTS	[2/3]
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Coordinator:	Professor Lew Evans
Timetable:	2/3 • CRN 18628 • Mon, Tue, Fri 8.30-9.20am [Pip]
Prerequisites:	ECON 140; 44 200-level points
Assessment:	Assignments 30%, test 20%, examination 50%
Set Texts:	L Cabral, <i>Introduction to Industrial Organization</i> , MIT Press (RP, Approx \$110)

In this course economic theory is combined with empirical evidence in the study of the organisation of firms, industries and markets. It draws on game theory, transactions cost analysis, information theory and the application of economics to legal issues.

ECON 330	LAW AND ECONOMICS	24 POINTS	[1/3]
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Coordinator:	Professor Lew Evans
Timetable:	1/3 • CRN 7717 • Mon, Tue, Fri 4.40-5.30pm [Pip]
Prerequisites:	Either ECON 140 or COML 203
Restrictions:	LAWS 335
Assessment:	Assignments 30%, essay 20%, examination 50%
Set Texts:	C G Veljanovski, <i>Economic Principles of Law</i> , 1 st ed. Cambridge University Press (RP, approx \$71.95)

Basic concepts and methods of economic reasoning as applied to selected topics in public and civil law.

ECON 333	ECONOMICS OF WORK AND PAY	24 POINTS
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Not offered in 2010

ECON 335	MANAGERIAL ECONOMICS	24 POINTS
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Not offered in 2010

ECONOMETRICS (QUAN)

QUAN 301	ECONOMETRICS	24 POINTS	[1/3]
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Coordinator:	Professor Dean Hyslop
Timetable:	1/3 • CRN 1484 • Mon, Tue, Thu 12.40-1.30pm [Pip]
Prerequisites:	ECON 201 or 202; QUAN 201; QUAN 203 or STAT 231
Assessment:	Assignments 20%, test 20%, examination 60%

Set Texts: M Verbeek, *A Guide to Modern Econometrics*, 3rd ed. John Wiley & Sons, 2008 (R, approx \$ 100)
 Other Recommended Readings: W E Griffiths, R C Hill and G G Judge, *Learning and Practicing Econometrics*, John Wiley & Sons 1993 (approx. \$100); J H Stock and M W Watson, *Introduction to Econometrics*, 2nd ed. Addison-Wesley 2007 (approx \$100)

Econometric methods; ordinary least squares (OLS) with matrix algebra; instrumental variables estimation; maximum likelihood estimation; stationary time series; unit roots; cointegration; VAR models.

QUAN 303	APPLIED ECONOMETRICS	24 POINTS	[2/3]
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Coordinator:	Professor Dean Hyslop
Timetable:	2/3 • CRN 7545 • Tue 1.40-2.30pm, Wed 12.40-2.30pm [Pip]
Prerequisites:	ECON 201 or 202; QUAN 203 or STAT 231 or 291
Assessment:	Assignments 30%, Test 20%, examination 50%
Set Texts:	No set text

The course will focus on important classic and contemporary applications of econometrics and the empirical application of econometric techniques. Applications may include the capital asset pricing model, the measurement of quality change, the determinants of wages, and models for investment expenditures.

QUAN 304	FINANCIAL ECONOMETRICS	24 POINTS	
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Prerequisites:	ECON 201 or 202; MOFI 201 or 202; QUAN 203 or STAT 231
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Analysis of financial time series; time series techniques and their use in estimation and testing of simple finance models; predictability of asset returns; the Capital Asset Pricing Model; and generalised autoregressive conditional heteroskedasticity models.

Not offered in 2010

QUAN 371	FINANCIAL MATHEMATICS	24 POINTS	[1/3]
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Coordinator:	Dr Leigh Roberts
Timetable:	1/3 • CRN 7036 • Mon, Wed, Fri 2.40-3.30pm [Pip]
Prerequisites:	MATH 113 or QUAN 111; 44 200-level MATH, OPRE, STAT, ECON, MOFI or QUAN pts
Restrictions:	FINM 371

Assessment:	Assignments 10%, tests 40%, examination 50%
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Set Texts:	Course notes will be made available
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Topics include effective and nominal rates of interest; valuation of annuities and loans, duration of investments; forward, futures and options contracts, and hedging.

MONEY AND FINANCE (MOFI)

MOFI 301	CORPORATE FINANCE	24 POINTS	[2/3]
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Coordinator:	Dr Martin Lally
Timetable:	2/3 • CRN 773 • Mon, Wed, Fri 10.30-11.20am [Pip]
Prerequisites:	MOFI 201 or QUAN (or FINM) 371

Assessment:	Test 30%, examination 70%
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Set Texts:	T Copeland, J Weston and K Shastri, <i>Financial Theory and Corporate Policy</i> , 4 th ed. 2005, Pearson Addison-Wesley (SR, approx \$180)
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An extended treatment of corporate financial decision making. Topics covered include cost of capital, capital budgeting, capital structure choice, financial leases, mergers and takeovers, and dividend policy.

MOFI 302	FINANCIAL POLICY AND MANAGEMENT	24 POINTS	[2/3]
Coordinator:	Dr Stephen Keef		
Timetable:	2/3 • CRN 774 • Wed, Thu 8.30-10.20am [Pip]		
Prerequisites:	MOFI 201		
Assessment:	100% internal (approx. four assignments)		
Set Texts:	No set text		
Studies in financial policy and management issues primarily through real-life or simulated cases. Course-work includes case studies covering cooperative enterprises, government, and non-profit organisations. Emphasis is placed on the application of the theory of finance to real-world decision making.			
MOFI 303	MONETARY ECONOMICS	24 POINTS	[1/3]
Coordinator:	Dr Chia-Ying Chang		
Timetable:	1/3 • CRN 775 • Mon, Wed, Fri 8.30-9.20am [Pip]		
Prerequisites:	MOFI 202; QUAN 111		
Assessment:	<i>Either</i> assignments 30%, examination 70% <i>or</i> examination 100%		
Set Texts:	B Cham and S Freeman, <i>Modelling Monetary Economics</i> , 2 nd ed. Cambridge University Press 2001 (RP, approx \$90)		
Monetary theory and monetary policy; information and money; banks and banking theory. Central banking and payment system, inflation and its economic consequences; government debt.			
MOFI 305	INVESTMENTS	24 POINTS	[1/3]
Coordinator:	Dr Toby Daghish		
Timetable:	1/3 • CRN 3046 • Mon, Wed, Fri 11.30-12.20pm [Pip]		
Prerequisites:	MOFI 201 or QUAN (or FINM) 371		
Assessment:	Tutorial problems 10%, test 30%, examination 60%		
Set Texts:	Z Bodie, A Kane and A Marcus, <i>Investments</i> , 8 th ed. McGraw-Hill Irwin (SR, approx \$143.95)		
This course examines the problem of portfolio management, as confronted by individuals and pension plans. Topics covered include preferences for risk, valuation of stocks, portfolio allocation, and an introduction to derivative pricing. The course aims to provide students with the tools necessary to work in this area, along with a solid grounding in the financial theory behind the models used.			
MOFI 306	SPECIAL TOPIC: FINANCIAL ECONOMICS	24 POINTS	[2/3]
Coordinator:	Professor Graeme Guthrie		
Timetable:	2/3 • CRN 3521 • Mon, Wed, Thu 1.40-2.30pm [Pip]		
Prerequisites:	B or better in both ECON 201 and MOFI 201		
Assessment:	Three assignments (equally weighted) 25%, test 25%, examination 50%		
Set Texts:	No set text		
Examination of fundamental concepts underlying modern finance theory, including: individuals' decision-making; the role of financial markets in allocating risk and capital; financial market equilibria; asymmetric information; how investors, firms and institutions manage and respond to information arrival over time.			

Graduate Certificate in Commerce and Graduate Diploma in Commerce (GCertCom and GDipCom)

The Graduate Certificate and Diploma in Commerce are flexible qualifications designed for Commerce graduates who want to move into a new area of specialisation, and for graduates in other disciplines who want to gain a Commerce qualification.

The **Graduate Certificate in Commerce (GCertCom)** is equivalent to one trimester of full-time study. The courses selected for the Certificate must total at least 60 points at 200-level or above, including at least 30 points at 300-level or above. A specialisation will be awarded if the courses all come from a particular commerce subject area.

The **Graduate Diploma in Commerce (GDipCom)** is equivalent to two trimesters of full-time study, although it may take longer depending on the sequencing of the courses chosen and the possible need to take prerequisites first. (Graduates are sometimes allowed to enrol in a course without the stated prerequisites – talk to the Course Coordinator about this possibility).

The courses selected for the Diploma must total at least 120 points from courses at 200-level or above, including at least 75 points at 300-level or above. (Students completing the diploma in 2010 will be permitted to finish with 116 points of which 72 are at 300-level).

Your course study can follow a specialisation within a commerce subject area, as set out below, or you may choose your own combination of courses as long as it is approved by the Associate Dean (Students) as a coherent programme of study.

These programmes are open to graduates, though students near the end of their degree may take some courses for the Certificate or Diploma as long as their degree is completed before the Certificate or Diploma is awarded.

Note: Points values for 300-level courses in the Faculty of Commerce and Administration are being reduced to 15 points from 2011.

Diploma Specialisations

Candidates intending to complete their Diploma in 2010 should follow requirement A for each major as set out below; those who are beginning in 2010 should follow requirement B. See the BCA prospectus, Guide to Enrolment or Online Course Catalogue for details of courses and prerequisites. If you have already passed one or more of the courses required for a specialisation, you may substitute an approved course of equal or greater value if necessary to meet the total points requirements; for approval, contact the Undergraduate Coordinator, Dr Stephen Burnell.

Economics

- a) ECON 201, 202; one course from ECON 305, 309, 314, 328; two further courses from (ECON 300-399, MOFI 303, PUBL 303, QUAN 301)
- b) ECON 201, 202; one course from (ECON 211, 212, FINA 201, QUAN 201, 203, STAT 231); three courses from (ECON 300-399, FINA 304, 306, PUBL 303); two approved 300-level electives

Finance

- a) (Money and Finance) MOFI 201, 202 (or ECON 202 or QUAN 203); three courses from (ACCY 306, MOFI 300-399, QUAN 304)
- b) FINA 201, 202; one course from (ACCY 231, ECON 201, 202, FINA 203, QUAN 201, 203, STAT 231); three courses from (ACCY 306, FINA 300-399); two approved 300-level electives

Transitional Arrangements

Any candidate who began their course of study under the GDipCom statute in force before 2009 may complete the diploma under that statute. Alternatively, they may transfer to the current statute.

If you are putting together your own programme, talk to Dr John Singleton, and see the Associate Dean (students), Dr Colin Jeffcoat, for approval of your programme before you enrol. Graduates are sometime allowed to enrol in a course without the stated prerequisites – talk to the course coordinator about this possibility.

If you are undertaking a GDipCom for the purposes of qualifying for entry to Honours in either ECON or FINA, talk to Dr John Singleton, the Graduate Coordinator.

POSTGRADUATE DEGREES AND COURSES

Honours, Master's, PhD

The postgraduate programme exposes students to advanced ideas, techniques and research in a variety of areas of economics and finance. For many students it is their first opportunity to focus exclusively on a particular discipline and most find it a stimulating, if demanding course of study. The classes at Victoria typically include graduates of other universities, as well as students who have experience working since the completion of their undergraduate degrees. A graduate degree is increasingly becoming the minimum qualification for entry to positions as professional economists, and there is a high demand for quality graduates from areas such as government departments (e.g. Treasury, Department of Labour, Statistics New Zealand, Reserve Bank), business and financial institutions, and consulting and research organizations such as BERL, Infometrics, PriceWaterhouse Coopers and NZIER. Persons wishing to go on to higher degrees such as a PhD will also find that there are employment opportunities in the above areas as well as teaching and research positions in academia.

All students intending to enrol in an Honours or Master's or PhD programme in Economics or Finance at Victoria University should discuss their plans with the School's Graduate Coordinator, Dr John Singleton.

Honours

Planning for Entry in Honours

The **Honours prerequisites**, which Honours candidates will have to bear in mind for undergraduate course planning purposes, are:

Prerequisites for BCA and BA Honours in Economics (ECON)

- (a) ECON 201, 202
- (b) ECON 305 or ECON 314
- (c) QUAN 203, or two of (STAT 231 or 232, MATH 206, MATH 207)
- (d) One of (QUAN 201, ECON 301, ECON 303, FINA 304, STAT 291)

Prerequisites for BCA Honours in Finance (FINA)

- (a) FINA 201, 202, ECON 201
- (b) FINA 301, 305, 306
- (c) QUAN 203, or two of (STAT 231 or 232, MATH 206, MATH 207)
- (d) One of (QUAN 201, ECON 301, ECON 303, FINA 304, STAT 291)

Note: The idea behind the first QUAN prerequisite is that honours students need to have a suitable background in algebra, calculus, and probability (either from QUAN 203, which covers all three

topics in sufficient depth for honours, or a combination of at least two more specialised papers in mathematics and statistics). The second QUAN prerequisite is to ensure that honours students have some prior exposure to (at least intermediate) econometrics.

Honours Degree Regulations

The BA (Hons) programme is currently offered in Economics while **the BCA (Hons) programme** is currently offered in Economics and in Finance. **The BCA (Hons) and BA (Hons) degrees** consist of the following courses:

Economics for BA (Hons) or BCA (Hons)

- (a) Either (ECON 402, 403) or (ECON 404, 405);
- (b) Two further courses from ECON 401-489;
- (c) Two further courses from ECON 401-489, FINA 401-489
- (d) Two further courses from ECON 401, 406-489.

Finance for BCA (Hons)

- (a) FINA 401, 402;
- (b) Two further courses from FINA 401-489;
- (c) Two further courses from FINA 401-489, ECON 401-489.
- (d) Two further courses from FINA 403-489.

Note:

- (a) The regulations permit the substitution of up to 4 courses, or their equivalent, from other Honours and Master's programmes, subject to the approval of the Graduate Coordinator.
- (b) Each student's programme must be approved by the Economics and Finance Graduate Coordinator. It is important that the courses selected by the student provide a coherent course of study and they will be approved only if this condition is met.

Entry Level Requirements

For entry into either of these honours degrees students must have an undergraduate degree and have demonstrated a competence in the relevant subject of above average quality. Above average will normally mean at least a B level in core 300-level subjects. However, a B+ level or above is strongly recommended. In addition, students admitted to an Honours degree in Economics or Finance must have passed QUAN 203. Students who have a BA and who wish to enrol for a BCA (Hons) should consult the Graduate Coordinator. Overseas students without a strong economics and/or finance background will be encouraged to do the Graduate Diploma in Commerce before studying towards a graduate degree (details of this diploma are given on page 26).

Availability of Courses

The courses actually available in any year are substantially determined by student demand and staff availability: intending candidates are advised to contact the Graduate Coordinator early, and preferably before December in the year prior to that in which they intend to apply for entry. Not all optional courses will be available in any particular year. Prerequisites to individual courses may be waived, provided the Graduate Coordinator can be satisfied that the student has the required background knowledge from some other source. Students should first discuss their position with the appropriate course coordinator who will make a recommendation to the Graduate Coordinator.

Student Facilities

Access to an exclusive Faculty of Commerce and Administration Honours Student study room is provided for full-time students in the Railway West Wing, Pipitea Campus. School of Economics and Finance students have access to computing and printing facilities within this room, and specialist software including Gauss, Matlab, Mathematica, Maple, R, Shazam and Stata is available for use. Students also receive a contribution towards printing and internet costs, and access to these facilities from 7am until midnight.

Scholarships and Other Sources of Funding

Many students need financial support beyond bare government entitlements. Those with excellent academic records can win VUW Graduate Awards or VUW Postgraduate Scholarships, while the top economics student may be awarded the Bernard Murphy Scholarship. In addition, scholarships are available from institutions outside the University; some research studentships are available in association with Economics staff over the summer break and a limited amount of employment is available during the year as a tutor or marker in first year ECON, QUAN and other courses. While this activity can be financially rewarding, teaching others, even at a basic level, is also a very useful aid to your own learning.

Class of Degree

Honours degrees are awarded with first, upper second, lower second, or third class honours. Lecturers may assign provisional grades for individual pieces of work during the year. In addition to posting a final class of honours at the end of the year, letter grades (A+, A, A-, B+, B, B-, C+, C, D, E) will be posted for particular courses. "A" grades correspond to first class work; "B+" and higher "B" to upper second class work; lower "B" and "B-" to lower second class work; and "C" to third class work.

Candidates should be aware that the award of a class of honours is based upon overall assessment of the calibre of work done across all the courses taken. The final assessment is arrived at by the School in consultation with external examiners.

Assessment

Because each student is engaged in a single course of study, not in a set of interrelated courses, final assessment takes place after completion of the full set of courses. However, it is our policy to take full advantage of the provision in the examination regulations whereby work done during the year as well as in final examinations can contribute towards the final grading.

POSTGRADUATE COURSES IN ECONOMICS AND FINANCE 2010

TRIMESTER ONE	TRIMESTER TWO
ECON 402 Advanced Macroeconomic Theory A	ECON 403 Advanced Macroeconomic Theory B
ECON 404 Advanced Microeconomic Theory A	ECON 405 Advanced Microeconomic Theory B
ECON 408 Advanced Econometrics A	ECON 409 Advanced Econometrics B
ECON 411 Public Economics: Economics of Social Regulation	ECON 410 Public Economics: Taxes and Transfers
ECON 412 International Economics: Trade	ECON 413 International Economics: Monetary
ECON 422 Industrial Organisation	ECON 418 ST: The Economics of Behaviour and Behavioural Economics
ECON 423 Macroeconomic Modelling of the New Zealand Economy	ECON 421 Asian Miracle Economies 1945-2000
ECON 434 Economic Dynamics	ECON 433 Labour Economics
FINA 402 Current Topics in Corporate Finance	FINA 401 Current Topics in Asset Pricing
FINA 403 Derivatives Securities	FINA 405 Real Options
FINA 412 Applications and Extensions of the Capital Asset Pricing Model	FINA 406 Fixed Income Securities
FINA 413 Risk Management and Insurance	FINA 411 Stock Prices and Volatility Modelling

2010 HONOURS TIMETABLE

TRIMESTER ONE

	Monday	Tuesday	Wednesday	Thursday	Friday	
8:30-9:20						8:30-9:20
9:30-10:20		FINA 413				9:30-10:20
10:30-11:20	FINA 402	ECON 412	ECON 411		ECON 402	10:30-11:20
11:30-12:20			ECON 422			11:30-12:20
12:40-13:30				ECON 404		
13:40-14:30						13:40-14:30
14:40-15:30		FINA 403	ECON 423	ECON 408	ECON 434	14:40-15:30
15:40-16:30	FINA 412					
16:40-17:30						

TRIMESTER TWO

	Monday	Tuesday	Wednesday	Thursday	Friday	
8:30-9:20						8:30-9:20
9:30-10:20	ECON 409	ECON 418	ECON 410	ECON 413	ECON 403	9:30-10:20
10:30-11:20						10:30-11:20
11:30-12:20	ECON 405	FINA 406		FINA 401		11:30-12:20
12:40-13:30						12:40-13:30
13:40-14:30						13:40-14:30
14:40-15:30		FINA 411	ECON 421		ECON 433	14:40-15:30
15:40-16:30	FINA 405					
16:40-17:30						

ECONOMICS

ECON 401	TOPICS IN THE NATURE OF ECONOMIC INQUIRY	15 POINTS	
Prerequisites: 45 300-level ECON or FINA pts or MMCA 401			
A consideration of methodological issues which arise when studying economic behaviour. Topics will include the role of rationality in economic model building, and the approaches which can be used to justify the use of abstract models with unrealistic assumptions.			
Not offered in 2010			
ECON 402	ADVANCED MACROECONOMIC THEORY A	15 POINTS	[1/3]
Coordinator: Dr Chia-Ying Chang			
Timetable: 1/3 • CRN 2175 • Fri 10.30-12.20pm [Pip]			
Prerequisites: ECON 305; QUAN 201, 203			
Assessment: Assignments 40%, examination 60%			
Set Texts: No set text			
A review of the major modern approaches to modern macroeconomic theory and open economy macroeconomic modelling. The course covers major basic sectoral themes from an essentially New Classical macroeconomic perspective.			
ECON 403	ADVANCED MACROECONOMIC THEORY B	15 POINTS	[2/3]
Coordinator: Professor Viv Hall			
Timetable: 2/3 • CRN 2176 • Fri 9.30-11.20pm [Pip]			
Prerequisites: ECON 305; QUAN 201, 203			
Assessment: Assignments 40%, examination 60%			
Set Texts: J Gali, <i>Monetary Policy, Inflation in the Business Cycle: An Introduction to New Keynesian Framework</i> , Princeton University Press, 2008 (approx. \$114)			
New Keynesian macroeconomics and its implications for Dynamic Stochastic General Equilibrium (DSGE) models.			
ECON 404	ADVANCED MICROECONOMIC THEORY A	15 POINTS	[1/3]
Coordinator: Dr Jack Robles			
Timetable: 1/3 • CRN 1219 • Thu 12.40-2.30pm [Pip]			
Prerequisites: ECON 314; QUAN 203			
Corequisites: ECON 405			
Assessment: 2 assignments 50%, examination 50%			
Set Texts: No set text			
A study of advanced microeconomic theories including: basic choice theory; consumer theory; decision-making under uncertainty; general equilibrium theory; basic welfare theory; uncertainty; producer theory; general equilibrium with production and firms.			
ECON 405	ADVANCED MICROECONOMIC THEORY B	15 POINTS	[2/3]
Coordinator: Dr Vladimir Petkov			
Timetable: 2/3 • CRN 1220 • Mon 11.30-1.20pm [Pip]			
Prerequisites: ECON 314; QUAN 203			
Corequisites: ECON 404			
Assessment: 2 assignments 40%, examination 60%			
Set Texts: No set text			
This course uses applied game theory to examine contracts, incentives and delegation.			
ECON 408	ADVANCED ECONOMETRICS A	15 POINTS	[1/3]
Coordinator: Professor Dean Hyslop			
Timetable: 1/3 • CRN 2178 • Thu 2.40-4.30pm [Pip]			
Prerequisites: QUAN301 or its equivalent			
Assessment: Assignments 20%, Test 20%, examination 60%			
Set Texts: No set text			

In-depth coverage of advanced econometric theory. Topics may include the estimation and inference of linear and non-linear models, irregular linear and/or non-linear models, quasi-maximum likelihood, and GMM estimation and inference.

ECON 409	ADVANCED ECONOMETRICS B	15 POINTS	[2/3]
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Coordinator: Professor Dean Hyslop
 Timetable: 2/3 • CRN 2179 • Mon 9.30-11.20am [Pip]
 Prerequisites: ECON 408 or QUAN301
 Assessment: Assignments 20%, Test 20%, examination 60%
 Set Texts: No set text

In-depth coverage of econometric methods for time series and models for panel data.

ECON 410	PUBLIC ECONOMICS: TAXES AND TRANSFERS	15 POINTS	[2/3]
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Coordinator: tba – School of Government
 Timetable: 2/3 • CRN 2180 • Wed 9.30-11.20am [Pip]
 Prerequisites: ECON 201, 307 (or PUBL 303)
 Restrictions: PUBL 410
 Assessment: Assignments 40%, examination 60%
 Set Texts: Please refer to course outline

The role of personal income tax and sales tax in achieving the appropriate balance between equity and efficiency; the impact on the efficiency/equity balance arising from different perspectives on distributive justice, income distribution, tax incidence and labour supply incentives.

ECON 411	PUBLIC ECONOMICS: ECONOMICS OF SOCIAL REGULATION	15 POINTS	[1/3]
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Coordinator: Dr Paul Calcott
 Timetable: 1/3 • CRN 2181 • Wed 9.30-11.20am [Pip]
 Prerequisites: ECON 201, 307 (or PUBL 303)
 Restrictions: PUBL 411
 Assessment: Assignments 40%, examination 60%
 Set Texts: No set text

The role of policy instruments in achieving policy objectives. Applications are considered in environmental policy, health and safety regulation and interventions to influence savings decisions.

ECON 412	INTERNATIONAL ECONOMICS: TRADE	15 POINTS	[1/3]
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Coordinator: Mr Paul Tompkinson
 Timetable: 1/3 • CRN 2182 • Tue 10.30-12.20pm [Pip]
 Prerequisites: ECON 309 or 314 (or 201)
 Assessment: Assignments 20%, presentations 20%, examination 60%
 Set Texts: No set text.

A study of international trade theory. Topics include the causes and consequences of trade under various market structures, and the effects of impediments to free trade, the political economy of trade policy, interaction of trade and environmental policies.

ECON 413	INTERNATIONAL ECONOMICS: MONETARY	15 POINTS	[2/3]
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Coordinator: Dr Andrew Coleman
 Timetable: 2/3 • CRN 1223 • Thu 9.30-11.20am [Pip]
 Prerequisites: ECON 305 or 309 or 338
 Assessment: Assignments 30%, examination 70%
 Set Texts: tba

A study of monetary theory of international trade. Topics include the determination of exchange rates, the development of the international monetary system and optimal currency areas.

ECON 418	SPECIAL TOPIC: THE ECONOMICS OF BEHAVIOUR AND BEHAVIOURAL ECONOMICS	15 POINTS	[2/3]
Coordinator:	Professor Morris Altman		
Timetable:	2/3 • CRN 2186 • Tue 9.30-11.20am [Pip]		
Prerequisites:	45 ECON pts at the 300-level		
Assessment:	In-term work, including research paper & report, class presentation and mid-term exam (55%), examination (45%)		
Set Texts:	tba		
	The importance of behavioural and institutional assumptions for the analytical predictions of economic theory and causal analysis is discussed, as are aspects of experimental economics. The implications of behavioural economics for economic policy and decision-making are also examined.		
ECON 421	ASIAN MIRACLE ECONOMIES SINCE 1945	15 POINTS	[2/3]
Coordinator:	Dr John Singleton		
Timetable:	2/3 • CRN 10719 • Wed 2.40-4.30pm [Pip]		
Prerequisites:	20 300-level ECON, ECHI, HIST or IBUS pts		
Assessment:	Seminar paper 20%, essay 40%, examination 40%		
Set Texts:	No set text		
	This course analyses the economic transformation of Asian economies since 1945, examining why some grew faster than others, and why many descended into crisis during the 1990s. A strong emphasis is placed on the role of economic policy.		
ECON 422	INDUSTRIAL ORGANISATION	15 POINTS	[1/3]
Coordinator:	Dr Vladimir Petkov		
Timetable:	1/3 • CRN 10720 • Wed 11.30-1.20pm [Pip]		
Prerequisites:	ECON 314		
Assessment:	2 assignments 50%, examination 50%		
Set Texts:	J Tirole, <i>The Theory of Industrial Organization</i> , MIT Press, 1988 (approx. \$96.95)		
	This course strives to explain the puzzling behaviour of firms. It examines topics like: durability, product differentiation, price discrimination, vertical control, static and dynamic imperfect competition, pre-commitment in strategic interaction, limit pricing, and product innovation.		
ECON 423	MACROECONOMIC MODELLING OF THE NEW ZEALAND ECONOMY	15 POINTS	[1/3]
Coordinator:	Professor Viv Hall		
Timetable:	1/3 • CRN 10721 • Wed 2.40-4.30pm [Pip]		
Prerequisites:	ECON 305		
Assessment:	2 assignments 15%, essay 25%, examination 60%		
Set Texts:	No set text		
	This course features macroeconomic and structural modelling of the New Zealand economy, blending relevant economic theory, applied econometrics and policy-relevant material. Topics include Reserve Bank and/or Treasury models, and applied general equilibrium modelling.		
ECON 430	RESEARCH PROJECT IN ECONOMICS	30 POINTS	
	A supervised research project that provides students with the opportunity to undertake independent research in a specific area of economics.		
	Not offered in 2010		

ECON 431	GROWTH AND DEVELOPMENT	15 POINTS
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Prerequisites: 45 approved 300-level pts

This course covers mainstream theories of economic growth, and explores a range of issues in development economics.

Not offered in 2010

ECON 432	MONETARY ECONOMICS	15 POINTS
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Prerequisites: ECON 305 or 338 or MOFI 303

An in-depth treatment of modern monetary theory using an infinite horizon approach. Areas of applications include inflation, monetary transmission mechanisms, money and public finance, money and financial markets, and time inconsistency.

Not offered in 2010

ECON 433	LABOUR ECONOMICS	15 POINTS	[2/3]
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Coordinator: tba

Timetable: 2/3 • CRN 18503 • Fri 2.40-4.30pm [Pip]

Prerequisites: ECON333 (ECON 201 strongly recommended)

Assessment: Assignments 45%, presentations 10%, examination 45%

Set Texts: tba

This course provides alternative theories of labour markets, models and approaches to supply, demand and pricing of different types of labour.

ECON 434	ECONOMICS DYNAMICS	15 POINTS	[1/3]
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Coordinator: Dr Jacek Krawczyk

Timetable: 1/3 • CRN 18673 • Fri 2.40-4.30pm [Pip]

Prerequisites: 45 300-level ECON/OPRE/QUAN pts

Assessment: Assignments 30%, examination 70%

Set Texts: tba

Economic applications of discrete-time deterministic and stochastic optimal-control models.

FINANCE

FINA 401	CURRENT TOPICS IN ASSET PRICING	15 POINTS	[2/3]
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Coordinator: Dr Christoph Thoenissen

Timetable: 2/3 • CRN 18487 • Thu 11.30-1.20pm [Pip]

Prerequisites: FINA 306 (or MOFI 305 or 306), QUAN 203

Assessment: Assignments 40%, examination 60%

Set Texts: tba

An intensive examination of modern research in asset pricing, focusing on the role of intertemporal risks. Topics include consumption-based asset pricing models; the theory, estimation, and evaluation of factor pricing models; and application of the theory to markets for bonds, commodities, currencies, real estate, and other assets.

FINA 402	CURRENT TOPICS IN CORPORATE FINANCE	15 POINTS	[1/3]
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Coordinator: Professor Graeme Guthrie

Timetable: 1/3 • CRN 18488 • Mon 10.30-1.20pm [Pip]

Prerequisites: FINA 301 (or MOFI 301 or 306), QUAN 203

Assessment: Assignments 40%, examination 60%

Set Texts: No set text

An intensive examination of modern research in corporate finance based on information asymmetries. Topics include agency costs, financial contracting, security issuing, security design, liquidity, and corporate governance.

FINA 403	DERIVATIVE SECURITIES	15 POINTS	[1/3]
Coordinator:	Dr Toby Daghish		
Timetable:	1/3 • CRN 18489 • Tue 2.40-4.30pm [Pip]		
Prerequisites:	FINA 305 (or MOFI 305 or 306 or QUAN 371), QUAN 203		
Assessment:	Assignments 15%, case study 15%, in-term test 35%, examination 35%		
Set Texts:	No set text		
An intensive examination of the pricing of options and option-like assets and their use in hedging financial risk. Topics include stochastic calculus, risk-neutral valuation, finite difference methods, Monte Carlo simulation, and fixed income derivatives.			
FINA 404	PORTFOLIO THEORY	15 POINTS	
Prerequisites:	FINA 305 (or MOFI 305 or 306), QUAN 203		
This course provides a rigorous examination of modern research in long-run asset allocation, focusing on the prescriptive role of theory in aiding investment decisions and the explanatory role of theory in resolving or highlighting empirical anomalies			
Not offered in 2010			
FINA 405	REAL OPTIONS	15 POINTS	[2/3]
Coordinator:	Professor Graeme Guthrie		
Timetable:	2/3 • CRN 18491 • Mon 3.40-5.30pm [Pip]		
Prerequisites:	QUAN 203, 15 pts from (FINA 301, 305, 306, MOFI 301, 306)		
Assessment:	Assignments 40%, examination 60%		
Set Texts:	G Guthrie, <i>Real Options in Theory and Practice</i> , 2009, New York: Oxford University Press. (RP. approx. \$90)		
An intensive development of the real options approach to business decision-making in general and capital budgeting in particular. Topics include the valuation of risky cash flows, dynamic programming, timing options, compound options, learning options, and calibration.			
FINA 406	FIXED INCOME SECURITIES	15 POINTS	[2/3]
Coordinator:	Dr Leigh Roberts		
Timetable:	2/3 • CRN 18492 • Tue 11.30-1.20pm [Pip]		
Prerequisites:	FINA 403 or MOFI 401		
Assessment:	Assignments 25%, term test 25% examination 50%		
Set Texts:	Course notes will be made available		
Fixed interest securities and markets. Topics include equilibrium and no-arbitrage short-rate models; forward rate models; credit risk models; bond default modelling through copulas.			
FINA 411	STOCK PRICES AND VOLATILITY MODELLING	15 POINTS	[2/3]
Coordinator:	Dr John Randal		
Timetable:	2/3 • CRN 18493 • Tue 2.40-4.30pm [Pip]		
Prerequisites:	FINA 305 or MOFI 301 or 305, QUAN 203		
Assessment:	Assignments 60%, examination 40%		
Set Texts:	S Taylor, <i>Asset Price Dynamics, Volatility and Prediction</i> , 2007, Princeton (RP, approx \$40)		
An intensive examination of volatility modelling. Topics include simulation and data analysis techniques; continuous-time stock price models; conditional and stochastic volatility modelling; and modelling heavy tails and regimes. Programming skills will be developed through extensive use of statistical software.			

FINA 412	APPLICATIONS AND EXTENSIONS OF THE CAPITAL ASSET PRICING MODEL	15 POINTS	[1/3]
Coordinator:	Dr Martin Lally		
Timetable:	1/3 • CRN 18494 • Mon 3.40-5.30pm [Pip]		
Prerequisites:	FINA 301 or MOFI 305 or 306, QUAN 203		
Assessment:	Weekly assignments 25%, essay 25%, examination 50%		
Set Texts:	No set text		
Intensive examination of selected applications and extensions of the Capital Asset Pricing Model (CAPM). Topics include valuation under differential personal taxation; beta estimation; market risk premium estimation.			
FINA 413	RISK MANAGEMENT AND INSURANCE	15 POINTS	[1/3]
Coordinator:	Dr Leigh Roberts		
Timetable:	1/3 • CRN 18495 • Tue 8.30-10.20am [Pip]		
Prerequisites:	15 pts from (FINA 301-399, MOFI 305, QUAN 371)		
Assessment:	Assignments 10%, two essays 60%, examination 30%		
Set Texts:	Course notes will be made available		
An intensive examination of topics in risk management and insurance, from traditional views of risk management to recent broader interpretations. Topics include derivative securities; insurance markets; changing regulation and intermediation; blurring of boundaries between banks, insurance companies and fund managers; reinsurance and alternative means of transferring risk; captive insurance companies.			
FINA 414-416	SPECIAL TOPICS	15 POINTS	
An intensive examination of selected topics in theoretical and empirical finance.			
Not offered in 2010			
FINA 430	RESEARCH PROJECT IN FINANCE	30 POINTS	
A supervised research project that provides students with the opportunity to undertake independent research in a specific area of finance.			
Not offered in 2010			

POSTGRADUATE THESIS DEGREES (Masters & PhD)

Master's and doctoral level study in Economics and Finance by thesis is available for suitably qualified candidates. In the Economics and Finance disciplines for Masters, and Economics, Econometrics and Finance disciplines for PhD. Theses are prepared and written in close consultation with a staff member who acts as supervisor. Research students are expected to participate in and contribute to research-in-progress seminars organised from time to time by the School.

For entry into a Master's degree, students should have completed a relevant Honours degree and obtained at least a Second Class (first division) pass. For more information, and advice, please consult Dr John Singleton.

Students admitted to a PhD will normally be required to have completed a Master's degree with a thesis component. From 1 January 2010 the application process for PhD has changed. For information on how to apply, please see the Faculty of Graduate Studies website at www.victoria.ac.nz/fgs. Application deadlines are 1 March, 1 July and 1 November each year.

POSTGRADUATE TAUGHT DEGREES

VICTORIA INTERNATIONAL APPLIED FINANCE PROGRAMME

What makes this programme special?

It features an instrumental approach: *learning by doing*. It combines this with a sound conceptual base: *so you understand why you are doing it*. Computer skills and financial modelling are an integral part of the programme. It has been designed and developed in consultation with accrediting professional bodies. Staff are drawn from the industry as well as academia. Support and networking among participants is a strong feature of the programme.

Courses feature guest speakers from the financial industry, and participants will meet the authoritative, the influential, and the trend-setters. Courses are located in Wellington, the centre of New Zealand's deregulated financial markets and home of the Reserve Bank of New Zealand and the Treasury.

Most courses are delivered in modular or 'block release' mode with two block release modules per course, making the programme suitable for busy professionals.

Who is the programme for?

- Corporate and bank treasury staff: dealers, back office and risk managers
- Fund managers, investment advisers
- Corporate bankers
- Investment bankers
- Corporate financial planners
- Stockbrokers, commodity and futures brokers
- Financial communications and data specialists
- Government and local body financial controllers
- Management consultants, lawyers and accountants
- Board directors
- Industry regulators
- Professionals from other backgrounds moving into financial markets

Three qualifications are offered:

The Master of Applied Finance (MAF)

The Postgraduate Diploma in Financial Analysis (PGDipFA)

The Postgraduate Diploma in Treasury Management (PGDipTM)

The qualifications have a common theme: they are concerned with the principles, practice and operations of financial markets, and the management of corporate, government and financial institutions in their interface with the markets. They also have a common objective: to equip participants with the conceptual understanding and the operational skills to survive and prosper in the international world of deregulated and volatile financial markets.

Accreditation

The VIAF Programme is designed to satisfy education requirements for membership of the following professional finance bodies.

- The Institute of Finance Professionals New Zealand Inc (INFINZ)
- The Finance and Treasury Association Ltd (FTA)
- Financial Services Institute of Australasia (FINSIA)

Further concordances are being developed with other international societies. Links of this kind are a valued part of the programme.

How is the programme taught?

All MMAF designated courses, except MMAF 522 and the special topics, are taught on the modular principle. This means that:

- Personal contact hours are concentrated in two sessions per course instead of weekly lectures. These sessions constitute the two modules, and each module extends over approximately 2.5 days or the equivalent. Full attendance at both modules is compulsory.
- The duration of each course is about 4-5 months.
- Modules for different courses run consecutively, to avoid disruption to your professional responsibilities and to minimise transportation costs.
- Reading, assignments and tutorials are done between modules in your own time, and contact with the lecturer in charge can be by e-mail, telephone or fax.
- Modules include the following features: visiting speakers, group discussions, formal lectures, computer lab sessions, workshops, simulations, tests; and even a social life, if you so choose!

Courses from other Victoria postgraduate programmes can be included, subject to approval by the Programme Director, but are unlikely to be offered in modular mode.

Duration

Most of our students study part time. Their demanding professional lives mean that they find it difficult to tackle more than one or two courses at a time. Courses take, on average, 12-14 hours' study per week. For the Master's degree, there is a minimum completion time of 18 months, and a maximum of six years. For each of the two Postgraduate Diplomas, the minimum is one year and the maximum is four years. Courses currently run in a cycle of 12 to 24 months, depending on the topic.

The programme admission criteria

Admission criteria for the Postgraduate Diplomas and the Master of Applied Finance are formally laid down in the statutes in the University Calendar. All are postgraduate qualifications, which mean that most candidates will already have a university degree, preferably with some content in economics, finance or accounting.

We do accept candidates who do not have a degree, where we think that the quality of their professional background and experience indicates a good chance that they can benefit from the programme and complete the qualification for which they seek entry. In most cases we will advise and require a candidate to enrol initially for the PGDipFA, with a view to transferring to the Master's degree at a later date. Successful MAF applicants usually have at least 2 years of relevant professional experience.

Personal qualities are also viewed as important. A capacity for independent thought is highly valued, and we encourage healthy scepticism about the world and the way it runs.

It is not necessary upon entry to be highly computer literate, as development of your spreadsheet and other skills is supported during the programme, starting from the New Zealand Capital Markets course.

Likewise, you should not necessarily feel discouraged about the rustiness of your mathematical background. We can suggest remedial work, and carefully managed catch-up work in the early stages will help ease the pain. In both cases, however, you should be aware that you are going to acquire technological and quantitative skills, and if you feel completely paralysed by the thought, this programme may not be for you.

You must have the time available for the programme you have chosen, and you must feel a sense of commitment to complete your course of study. At times, the programme workload can be quite demanding, and it is easy to succumb to the pressures of the moment at work or home. So you should budget for enough leeway in your personal and professional life to take up the demands of the programme at the rate you have chosen.

The Programme Director is happy to listen and advise.

How to find out more...

If you would like more information, of an academic or an administrative nature, feel free to contact:

On administrative matters:

Senior Administrator
VIAF Programme
School of Economics and Finance
Victoria University of Wellington
Tel: +64 4 463 6148
Fax: +64 4 463 5014
e-mail: viaf-programme@vuw.ac.nz

On academic matters:

Ms Dawn Lorimer
VIAF Programme Director
School of Economics and Finance
Victoria University of Wellington
P O Box 600
Wellington, New Zealand
e-mail: dawn.lorimer@vuw.ac.nz

website: www.victoria.ac.nz/sef/viaf

VIAF PROGRAMME STRUCTURE

For the Master of Applied Finance (180 points) or Postgraduate Diploma in Financial Analysis (120 points)

- Both Part 1 courses, normally completed before or concurrently with Part 2 (40 points)
- A further 140 points (MAF) or 80 points (PGDipFA) in an approved selection of courses from Part 2.

For the Postgraduate Diploma in Treasury Management (120 points):

- Both Part 1 courses, normally completed before or concurrently with Part 2.
- MMAF 511 International Corporate Finance,
MMAF 512 Treasury Management,
MMAF 513 Treasury Operations.
- A further course from the MMAF selection or approved alternatives (minimum of 20 points).

If you are initially accepted for the PGDipTM or PGDipFA, you can apply to transfer to the Master's degree. A sufficiently strong performance (normally a B average or better) is required, and successful MAF applications usually have at least 2 years of relevant professional experience.

Other courses are available from among the existing offerings in the BCA (Hons), the Master of Business Administration (MBA), the Master of Public Management (MPM) and other postgraduate programmes at Victoria subject to approval by the Director. If you would like to explore such options, talk with the Programme Director, who can advise on suitability, points value, and whether the courses are offered in modular form.

PART 1

MMAF 501 NEW ZEALAND CAPITAL MARKETS 20 POINTS [1/3]

Coordinator: Ms Dawn Lorimer

Timetable: 1/3 • CRN 8053 • Scheduled in Block Release Delivery Mode [Kel]

A survey of the institutions, markets and instruments of the New Zealand fixed interest, money equity, derivatives and foreign exchange markets, informed by the insights of modern finance theory. Includes fixed interest pricing and trading, the financial economics of monetary mechanisms in their relationship with the markets, pricing and trading of equities, derivatives trading and their use, spot and forward foreign exchange trading, and the raising of equity and debt capital both at home and abroad.

MMAF 502 CORPORATE FINANCE 20 POINTS [2/3]

Coordinator: Ms Dawn Lorimer

Timetable: 2/3 • CRN 8054 • Scheduled in Block Release Delivery Mode [Kel]

An in-depth review of the interface between corporate finance and the markets, from the vantage point of the corporate treasurer. Cash flow analysis, discounting in various forms, the cost of capital, the process of setting risk premiums, and internal use of capital. Principles of corporate value, the role of debt and taxation, the valuation of cash flows and companies. Long term financing. Takeovers, mergers and acquisitions.

PART 2

MMAF 511 INTERNATIONAL CORPORATE FINANCE 20 POINTS [1/3]

Coordinator: Ms Dawn Lorimer

Timetable: 1/3 • CRN 8055 • Scheduled in Block Release Delivery Mode [Kel]

Financial economics of exchange rates. The international monetary and banking system, euromarkets, reference rates, further work on debt raising. Financial management under volatile exchange rates: translation, transactions and economic exposures. Optimal foreign exchange hedging policies. Multinational capital management. International portfolio choice.

MMAF 512 TREASURY MANAGEMENT 20 POINTS

The corporate treasury environment and its place and role within the organisation. Practical risk management for interest rates and foreign exchange within the overall corporate exposure. Use of derivatives for such purposes. Long term funding and origination techniques. Performance measurement, philosophy and techniques.

Not offered in 2010

MMAF 513 TREASURY OPERATIONS 20 POINTS

Risk control framework for treasury and financial market activities. Operational risk management. Treasury processing risk: types and sources, identification, documentation, quantification, and overall control. Clearing systems. Treasury reporting systems. Tax aspects, audit requirements, overall accountability.

Not offered in 2010

MMAF 514 DERIVATIVES 20 POINTS

Forwards and futures, options, synthetics, exotics and associated products. Pricing from the first principles and from no arbitrage methodology. Use in portfolio hedging and in open position taking. Contexts covered include equity, fixed interest, commodity and foreign exchange. Trading conventions and techniques.

Not offered in 2010

MMAF 515	FINANCIAL INSTITUTIONS MANAGEMENT	20 POINTS	[2/3]
Coordinator:	Ms Dawn Lorimer		
Timetable:	2/3 • CRN 8059 • Scheduled in Block Release Delivery Mode [Kel]		
The identification, measurement and management of risk in a financial institution, including credit risk as well as interest rate or foreign exchange risk. Documentation, the asset and liability management environment. Strategic policy of banks and other financial institutions. Performance criteria. Cost of funds, lending and liquidity analysis. Capital adequacy and the internal use of equity and other prudential requirements.			
MMAF 516	PORTFOLIO DESIGN AND INVESTMENT	20 POINTS	[2/3]
Coordinator:	Dr Toby Daghish		
Timetable:	2/3 • CRN 8060 • Scheduled in Block Release Delivery Mode [Kel]		
Principles of portfolio diversification, mean variance analysis, models of capital market equilibrium: CAPM and equivalent martingale no-arbitrage risk premium processes, factor models. Portfolio insurance using derivatives. Fund performance measurement.			
MMAF 521	MACROECONOMIC PROCESSES AND FINANCIAL MANAGEMENT	20 POINTS	
Financial markets and financial management in the macroeconomic setting. A general review of the theory of macroeconomics; monetary, interest rate and exchange rate mechanisms, business cycles, economic growth and wealth accumulation.			
Not offered in 2010			
MMAF 522	RISK AND INSURANCE	20 POINTS	[1/3]
Coordinator:	Dr Leigh Roberts		
Timetable:	1/3 • CRN 8600 • Tue 8.30-10.20am[Pip]		
Risk management methodology. Recent developments in risk management, emphasising the transfer of risk to financial markets. Financial risk management case studies. Theory and practice of insurance; insurance as a means of transferring risk and as providing a framework for the consideration of risk; recent developments in the insurance markets; captive insurers; insurance derivatives, catastrophe bonds. MMAF 522 is taught on a weekly lecture basis. Co-taught with FINA 413			
MMAF 523	TREASURY ACCOUNTING AND TAX	20 POINTS	
Accounting for treasury (wholesale financial) instruments, including debt, equity and hybrids, forward contracts, futures, options and swaps, disclosure and reporting issues, and the fair value approach. Tax issues and treatment of such instruments, including interest accrual rules, base price adjustment, analysis of key determinations for financial arrangements such as those denominated in foreign currencies, forward contracts, options and swaps.			
Not offered in 2010			
MMAF 524	FINANCIAL ECONOMETRICS	20 POINTS	[2/3]
Coordinator:	Ms Dawn Lorimer		
Timetable:	2/3 • CRN 9708 • Scheduled in Block Release Delivery Mode [Kel]		
An operational course on financial econometrics that reviews some of the existing literature and investigates some current research areas. The course applies the theory by allowing participants to work through a number of questions with a range of financial data sets.			
MMAF 525	FINANCIAL MODELLING	20 POINTS	[1/3]
Coordinator:	Mr Joe Cheung		
Timetable:	1/3 • CRN 17018 • Scheduled in Block Release Delivery Mode [Kel]		
A practical course delivered through a combination of lectures and workshops in which students build spreadsheet models to solve a variety of problems from topics in finance. Financial statement modelling; leasing; portfolio analysis; computing the efficient frontier; Black-Scholes model; real options; volatility at risk; duration and immunization; default adjusted expected bond returns.			

MMAF 526	LAW AND FINANCE	20 POINTS	
<p>Issues in corporate authority, financial instruments, use of corporate information, corporate liability, risk management, prudential supervision, securities regulation and other sensitive areas for financial organisations. The course is product-oriented, dealing with specific legal issues that affect the everyday business of the financial sector.</p> <p>Not offered in 2010</p>			
MMAF 527	SPECIAL TOPIC: DERIVATIVE SECURITIES	20 POINTS	[1/3]
<p>Coordinator: Dr Toby Daghlish Timetable: 1/3 • CRN 10722 • Tue 2.40-4.30pm [Pip] Pricing of options and option-type assets and their use in hedging financial risk. Co-taught with FINA 403.</p>			
MMAF 528	SPECIAL TOPIC: CURRENT TOPICS IN CORPORATE FINANCE	20 POINTS	[1/3]
<p>Coordinator: Professor Graeme Guthrie Timetable: 1/3 • CRN 10723 • Mon 10.30-1.20pm [Pip] Intensive examination of selected aspects of corporate finance. Co-taught with FINA 402.</p>			
MMAF 529	SPECIAL TOPIC: APPLICATIONS & EXTENSIONS OF THE CAPITAL ASSET PRICING MODEL	20 POINTS	[1/3]
<p>Coordinator: Dr Martin Lally Timetable: 1/3 • CRN 11360 • Mon 3.40-5.30pm [Pip] Intensive examination of selected applications and extensions of the Capital Asset Pricing Model (CAPM). Topics include valuation under differential personal taxation; beta estimation; market risk premium estimation. Co-taught with FINA 412.</p>			
MMAF 530	SPECIAL TOPIC: APPLIED REAL OPTIONS	20 POINTS	[1/3]
<p>Coordinator: Professor Graeme Guthrie Timetable: 1/3 • CRN 11361 • Scheduled in Block Release Delivery Mode [Kel] This course applies the derivative pricing theory developed in MOFI 401 to capital budgeting problems faced by firms. This approach allows firms to handle correctly features such as investment irreversibility, timing flexibility, and ongoing uncertainty about the profitability of projects.</p>			
MMAF 531	SPECIAL TOPIC: MATHEMATICS OF FINANCE	20 POINTS	[2/3]
<p>Coordinator: Dr Leigh Roberts Timetable: 2/3 • CRN 11693 • Fri 9.30-11.20pm [Pip] This course examines valuation of securities; varying redemption price, income tax, capital gains tax; capital redemption policies; premium calculation, policy reserves, paid-up sums assured; matching, immunization, volatility, discounted mean term; consumer credit; stochastic interest rates.</p>			
MMAF 532	SPECIAL TOPIC: STOCK PRICES AND VOLATILITY MODELLING	20 POINTS	[2/3]
<p>Coordinator: Dr John Randal Timetable: 2/3 • CRN 11697 • Tue 2.40-4.30pm [Pip] An intensive examination of volatility modelling, including simulation and data analysis techniques; continuous-time stock price models; conditional and stochastic volatility modelling; and modelling heavy tails and regimes. Programming skills will be developed through extensive use of statistical software. Co-taught with FINA 411.</p>			

MMAF 533	SPECIAL TOPIC: FIXED INCOME SECURITIES	20 POINTS	[2/3]
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Coordinator: Dr Leigh Roberts

Timetable: 2/3 • CRN 11698 • Fri 9.30-11.20pm [Pip]

An intensive examination of fixed interest securities and markets. Topics include equilibrium short-rate models; no-arbitrage short-rate models; forward rate models; single-firm credit risk models; multi-firm credit risk models. Co-taught with FINA 406.

MMAF 550	RESEARCH PAPER	40 POINTS	[F]
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Coordinator: Supervisor as approved by the Director, Victoria International Applied Finance

Timetable: Full Year • CRN 8061

A report representing the application of principles derived from the coursework to the analysis and solution of a real world corporate finance problem. Alternatively, an in-depth literature survey of a particular class of such problems, the solutions proposed in the Finance and any other relevant literatures, and the contextual applicability of such solutions to New Zealand or other designated economic environments.

All courses are subject to the availability of lecturers.

Please Note: Enrolment in the research course and any Special Topics require approval from the Programme Director.



OTHER GENERAL INFORMATION

Course materials

Course costs

All costs of course materials are approximate and are based on 2009 costs. The price of books from overseas is subject to variations in the exchange rate. A second-hand book sale is held by VUWSA in the first week of March: you can sell your old books through them, and you may be able to buy some of the books you require for 2010 at reduced prices. Second-hand books may under certain conditions be bought and sold through Vicbooks.

Course readings

Textbooks may either be bought from VicBooks (Student Union Building) or from other bookshops. Course materials are also available from the Student Notes Distribution Centre in the Student Union Building. Course Coordinators will tell you which outlet has the reading material for their course.

Course outlines

At the beginning of each course students receive a Course Outline. This contains all necessary information about the course including the number of class meetings, their types and times, booklists, assignments, tests and examinations and mandatory course requirements (minimum class work in order to complete the course).

Class formats

Lectures

Each course usually includes weekly lectures at which new material is presented. In addition, courses usually also include discussion and reinforcement sessions, such as tutorials, seminars, or audio-visual classes. Some classes involve practical work such as fieldtrips or Noho Marae. Lectures at Kelburn Campus starting before 1pm start on the hour and last 50 minutes (or 1 hour 50 minutes); lectures from 1pm start 10 minutes after the hour and finish on the hour. Lectures at

Pipitea Campus starting before 1pm start on the half hour and last 50 minutes (or 1 hour 50 minutes); lectures from 1pm start 10 minutes after the half hour, and finish on the half hour.

Tutorials

These generally last 50 minutes and involve small groups of students meeting with a staff member, or graduate student tutor. Tutorials provide the opportunity to discuss course content, course work and readings, to exchange ideas and become acquainted with other course members. Oral tutorials focus on practising speaking skills in the language.

Seminars

A seminar is a class discussion group that centres on set readings or on courses prepared and presented by students.

Exams

Please note that students enrolled in courses that have a final examination are expected to be available in the relevant examination period. In 2010 these are: **11 June – 30 June and 26 October – 13 November**. Exam timetables are normally published after the mid-term break.

Official School communications

Official notices of the School are posted on noticeboards on the Mezzanine of Rutherford House. You may also be communicated with via your ITS email account and Blackboard.

Computing Requirements

Some courses detailed in this prospectus may require students to use computers and the Internet and assume students are able to use word processing, electronic mail and the world wide web. All enrolled students receive a computer username and password (details are printed on Confirmation of Study forms), and a free email address which is used for all official electronic correspondence. Students may personally reset their student email to re-direct to another email address if preferred. Students must reset their default password; this can be done via the link above the login box at **www.myvictoria.ac.nz**

ITS-Student provides all enrolled students with access to electronic resources that support communication, learning and research needs. Most resources are accessible on-and off-campus using myVictoria, the student portal. The website **www.myvictoria.ac.nz** provides secure access to:

- Student email
- Workspace (an allocated space quote for storage of personal files)
- Blackboard (online teaching and learning tool)
- Student Records (to check and pay your fees, update contact details, view grades and check your timetable)
- Library Catalogue and Databases.

Computing facilities are located at all campuses, including within the libraries. CyberConnect computers are located at various spots around campus including outside main lecture theatres and in cafes, and some Schools provide specialist computing resources for their students. ITS Help Desks are located on Level 2 of the Central Library, in the Commerce Library on Level 2 Railway West Wing, at the Law Library and in the Waghorn Building at Karori Campus. Additional information for students is available online (**www.myvictoria.ac.nz**).

No training in the use of computing accounts or campus computing facilities will be provided by teaching staff. Support for privately owned lap-tops is available at the student help desks. No support will be provided off-campus.

Support is available for students with disabilities through Disability Support Services. Student Learning Support Services and ITS may jointly offer workshops during the year.

Prizes and Scholarships for Students

Students should check out the University's Prizes and Scholarships database, accessible at: <http://www.victoria.ac.nz/home/admisenrol/payments/scholarships/default.aspx>

Postgraduate Students' Association

Room 202, 20 Kelburn Parade, Mon, Wed, Thurs 10am – 1pm

Phone: 04-463 6973

Email: pgsa-ea@vuw.ac.nz

Website: www.victoria.ac.nz/pgsa

The Victoria Postgraduate Students' Association (PGSA) is recognised by VUWSA as the representative body for all postgraduate students at Victoria University. The PGSA provides representation and other services for all Victoria's approximately 3,500 postgraduate students. Services include advice, advocacy for individuals and groups of postgraduate students, lobbying on issues important to you, representation on a variety of university committees, social activities, seminars, training workshops and information.

In addition the PGSA organises Victoria's teaching awards (the Victorias), and publishes a postgraduate journal Third Degree. The Association is always eager for postgraduates to get involved, and there are always things for people to do!

Subscribe to the PGSA email list by emailing pgsa-members-subscribe@vuw.ac.nz

Student Services Group

Student Services provides a range of services to all students to help you make the most of your time at university. Contact the following services for assistance directly or visit the website:

www.victoria.ac.nz/st_services/ to find out more. Many of these services are available at all campuses – the addresses and main phone numbers of the services on the Kelburn campus are listed here – just ring them to make an appointment at whichever campus is best for you.

Accommodation Service

Level 1, The Atrium, Student Union Building

Phone: 04-463 5896

Email: accommodation@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/accommodation

If you need a flat, flatmates or halls of residence information, the Accommodation Service is a great place to start. The website has an online letting service with a range of vacancy listings to suit all budgets and tastes. Staff are happy to advise you on tenancy issues.

Career Development and Employment (Vic Careers)

14 Kelburn Parade

Phone: 04-463 5393

Email: careers-service@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/careers

Vic Careers offers students independent career advice. They can help you find the right career, suggest which careers your undergraduate or postgraduate degree could lead to and assist with writing your CV. If you are looking for a job, watch out for Graduate Recruitment programmes and check out the Victoria CareerHub (www.victoria.ac.nz/careerhub), your 24/7 jobs online service—logon using your ITS account.

Counselling Service

2 Wai-te-ata Road

Phone: 04-463 5310

Email: counselling-service@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/counselling

Counsellors are available to discuss personal and academic issues that affect your general sense of wellbeing, your relationships or your learning. Ring to make an appointment for this free, confidential service. Group programmes are also available.

Crèches

Phone: 04-463 5151

Email: childcare@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/creches

The University crèches can provide your child(ren) with the best possible education and care while you study. The Student Crèche has three centres on Kelburn Campus and one at the Law School, Pipitea Campus. The staff at ECEC may also have places for the children of postgraduate students. Applications for the crèche must be made well in advance as places are limited.

Disability Services

Level 1, Robert Stout Building

Phone: 04-463 6070

Email: disability@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/disability

DSS facilitates a range of support that enable students with impairments, mental health conditions, injuries, specific learning disabilities, medical conditions or who are Deaf to access study. Services include: course and assessment arrangements; liaison with other staff; adaptive technology; note-taking support; peer mentors; mobility parking and ergonomic furniture.

Financial Support and Advice

14 Kelburn Parade

Phone: 04-463 6644 for information, 04-463 7474 for an appointment

Email: student-hardship@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/finadvice

Finance Advisers can provide you with practical advice on budgeting and coping financially, help you with Student Loan and Allowance applications and the preparation of financial statements for Scholarship applications. Through the Hardship Fund they are also able to provide emergency financial assistance. Grants, too, are available for a range of needs, including postgraduate research costs.

Health Service

4 Wai-te-ata Road

Phone: 04-463 5308 or 04-463 7474

Email: student-health@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/health

The Health Service offers you a general practice medical service on campus which is free or very low cost for most students. It deals with illnesses, accidents and prescriptions, and offers specialist services such as psychiatry, nutrition, dermatology and physiotherapy.

Te Putahi Atawhai

Room 109, 14 Kelburn Parade

Phone: 04-463 6015

Email: manaaki-pihipihinga-programme@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/mentoring

Te Putahi Atawhai is the one stop shop for Maori and Pacific students. We provide advice and support for all non-academic areas of your life. We also provide academic mentoring in the Faculties of Commerce and Administration, Humanities and Social Sciences and Te Kawa i Māui. You are welcome to drop in anytime.

Student Learning Support Service (SLSS)

Level 0, Kirk Wing, Hunter Courtyard

Phone: 04-463 5999

Email: student-learning@vuw.ac.nz

Website: www.victoria.ac.nz/st_services/slss

Build confidence and maximise your academic success with support from SLSS. They offer workshops and one-to-one tuition in such areas as essay writing, mathematics and statistics, learning strategies, study skills and language skills. They also help set up and maintain peer study/support groups and organise other workshops on request.

Regular Research Skills seminars and writing workshops are offered to postgraduate students on topics such as research proposals, literature reviews, ethical approval, developing an argument, and quantitative and qualitative research. For more postgraduate information go to

www.victoria.ac.nz/postgradlife

Vic OE (Overseas Exchange for Victoria Students)

As a Victoria student you have the chance to complete part of your degree by attending one of more than 100 world-class institutions throughout 27 countries all while studying towards your Victoria degree and paying normal Victoria tuition.

There is considerable value in having an international study component to your degree. The benefits include increasing your cultural awareness, the possibility of learning another language and studying subjects not offered at Victoria.

Eligibility

In order to be eligible for exchange, you must:

- be enrolled as full-time student at Victoria (at the time of application)
- have completed the core 100-level Commerce requirements (check with your school for the exact requirements)
- be an academically strong student and have achieved a B average overall in your studies at Victoria
- be able to demonstrate that you would be a good ambassador for Victoria.

Both domestic and international students are eligible for Victoria OE (international students pay Victoria international fees).

Application Deadlines

- 16 January 2010 (for study in Trimester Two, 2010)
- 16 July 2010 (for study in Trimester One, 2011)

Note: University of California applications should be submitted as early as possible, no later than January 5 or June 30.

Exchange Destinations

Exchange agreements are in place between Victoria University and universities throughout the UK and Europe, Asia, North and South America. Some examples of the universities that the Faculty of Commerce and Administration has agreements with are:

- Bocconi University, Milan, Italy
- University of Groningen, The Netherlands
- Uppsala University, Sweden
- Lancaster University, United Kingdom
- Purdue University, USA
- University of California, USA
- National University of Singapore, Singapore

For a full list of the universities the Faculty of Commerce and Administration has exchange agreements with, go to www.victoria.ac.nz/exchange

Funding

Students are eligible for Studylink Loans and Allowances as per normal and are given a \$1,000 travel grant. There are also other scholarship opportunities available for high achieving students, and accommodation subsidies and travel grants are offered at specific locations. In 2009, the Faculty of Commerce and Administration introduced an Undergraduate Exchange Scholarship with a value of \$3,000 for a one trimester exchange or \$5,000 for a full-year exchange. For the most up-to-date information, check the Victoria OE site.

For more information, contact the Student Exchange Office:

Victoria International, Level 2, Rutherford House, 23 Lambton Quay, Pipitea Campus

Email - exchangestudents@vuw.ac.nz

Website: www.victoria.ac.nz/exchange

ACADEMIC INTEGRITY AND PLAGIARISM

Academic integrity means that the University staff and students, in their teaching and learning, are expected to treat others honestly, fairly and with respect at all times. It is not acceptable to mistreat academic, intellectual or creative work that has been done by other people by representing it as your own original work.

Academic integrity is important because it is the core value on which the University's learning, teaching and research activities are based. Victoria University's reputation for academic integrity adds value to your qualification.

The University defines plagiarism as presenting someone else's work as if it were your own, whether you mean to or not. 'Someone else's work' means anything that is not your own idea. Even if it is presented in your own style, you must acknowledge your sources fully and appropriately. This includes:

- material from books, journals or any other printed source
- the work of other students or staff
- information from the internet
- software programmes and other electronic material
- designs and ideas
- the organisation or structuring of any such material.

Find out more about plagiarism, how to avoid it and penalties on the University's website [**www.victoria.ac.nz/home/studying/plagiarism.html**](http://www.victoria.ac.nz/home/studying/plagiarism.html)

SCHOOL OF ECONOMICS AND FINANCE

TE KURA OHAOHA PŪTEA

Level 3 & 4, Rutherford House, 23 Lambton Quay,
Pipitea Campus, Wellington

PO Box 600, Wellington 6140, New Zealand

PHONE 04-463 5708

FAX 04-463 5014 (Level 3)

04-463 5146 (Level 4)

EMAIL sef@vuw.ac.nz

WEBSITE www.victoria.ac.nz/sef

FACULTY OF COMMERCE AND ADMINISTRATION

TE WĀHANGA TAUHOKOHOKO, WHAKAHAERE

Student and Academic Services

Level 1, Railway West Wing, Pipitea Campus, Wellington

PO Box 600, Wellington 6140, New Zealand

PHONE 04-463 5376

FAX 04-463 5360

EMAIL fca-sao@vuw.ac.nz

WEBSITE www.victoria.ac.nz/fca

STUDENT RECRUITMENT AND COURSE ADVICE

Level 1, Hunter Building, Kelburn Campus, Wellington

PO Box 600, Wellington 6140, New Zealand

PHONE 04-463 5374

or 0800 VICTORIA (842 867)

FAX 04-463 5193

EMAIL course-advice@vuw.ac.nz

WEBSITE www.victoria.ac.nz/srca