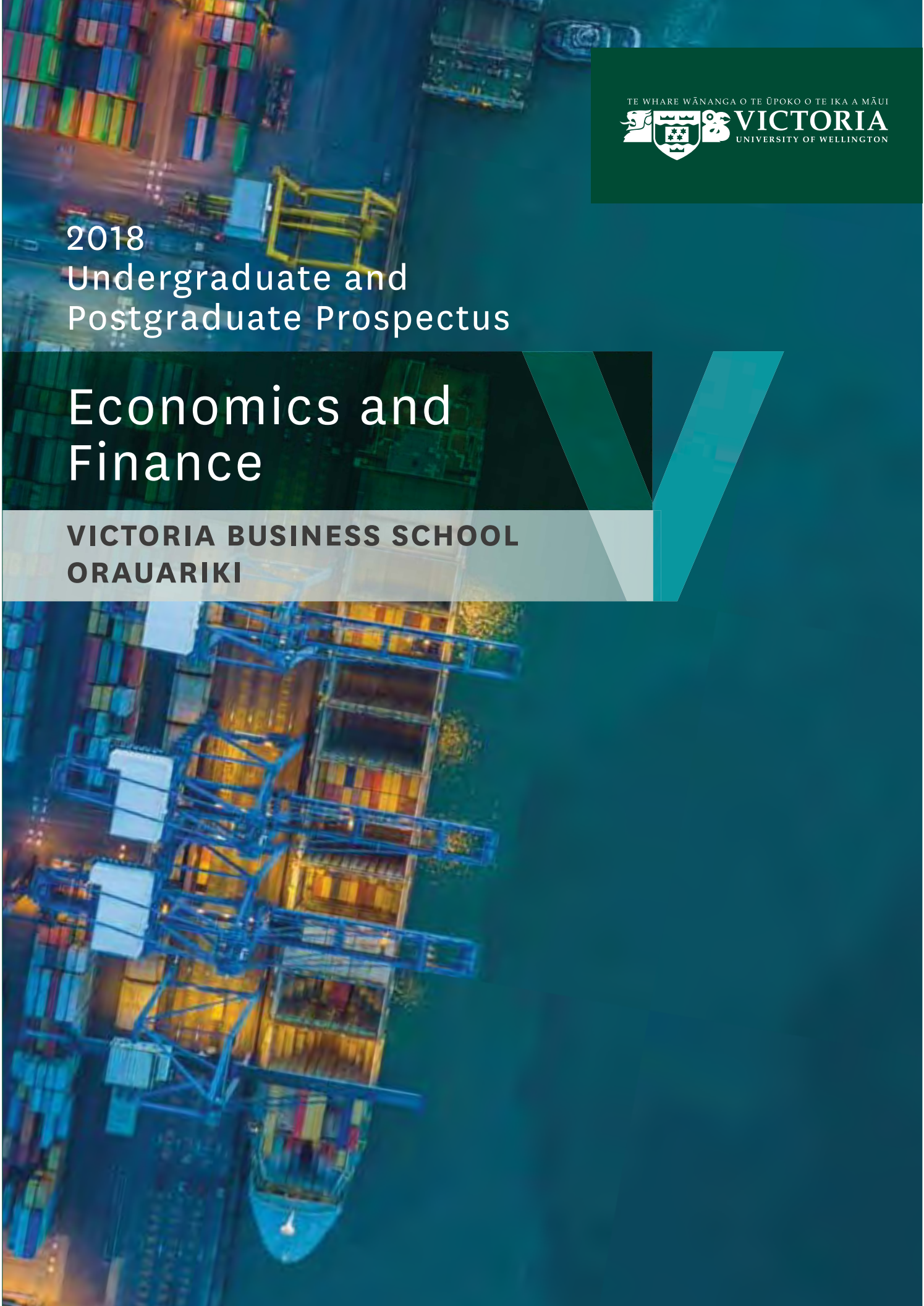


2018  
Undergraduate and  
Postgraduate Prospectus

# Economics and Finance

**VICTORIA BUSINESS SCHOOL  
ORAUARIKI**



## Prospectuses

For information on other subjects, see the relevant prospectus for that subject area or school. These are available as PDFs online at [www.victoria.ac.nz/prospectus](http://www.victoria.ac.nz/prospectus)

Not all faculties and schools produce prospectuses. Go to the relevant faculty website for course information:

- Faculty of Architecture and Design  
[www.victoria.ac.nz/fad](http://www.victoria.ac.nz/fad)
- Faculty of Education  
[www.victoria.ac.nz/education](http://www.victoria.ac.nz/education)
- Faculty of Health  
[www.victoria.ac.nz/health](http://www.victoria.ac.nz/health)
- Faculty of Humanities and Social Sciences  
[www.victoria.ac.nz/fhss](http://www.victoria.ac.nz/fhss)
- Faculty of Science  
[www.victoria.ac.nz/science](http://www.victoria.ac.nz/science)
- Victoria Business School  
[www.victoria.ac.nz/vbs](http://www.victoria.ac.nz/vbs)

## 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

Check the timetable for confirmation of course times.

[www.victoria.ac.nz/timetables](http://www.victoria.ac.nz/timetables)

## Studying in 2018

Admission to Victoria is based on your previous qualifications and results. You will need to submit your application for consideration by:

1 December 2017 for international students making a first-year application for March 2018 intake

1 December 2017 for limited-entry programmes and limited-entry courses if you are not a school leaver

10 December 2017 for school leavers, to ensure a place in your preferred courses

20 January 2018 for all other applicants, programmes and courses.

[www.victoria.ac.nz/apply](http://www.victoria.ac.nz/apply)

## Postgraduate study at Victoria in 2018

The closing dates for admission into postgraduate programmes vary. Go to [www.victoria.ac.nz/postgraduate](http://www.victoria.ac.nz/postgraduate) or contact the relevant Faculty Student and Academic Services Office for more information.

## Academic integrity and plagiarism

Academic integrity is based on ethical scholarship and intellectual independence. It is a core value of Victoria University's learning, teaching and research activities and requires these activities to be conducted honestly, fairly and respectfully.

Plagiarism and other academic misconduct seriously undermine academic integrity. 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. Sources include:

- material from books, journals or any other printed material
- 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.

It is also a form of cheating to resubmit work you have done in one course to meet the requirements of another. If you wish to build on your earlier work you should always first discuss it with your lecturer and obtain their permission.

All members of the University community—staff and students—share responsibility for developing, demonstrating and strengthening a culture of academic integrity. The value of your qualification depends on Victoria University's reputation for academic integrity.

See [www.victoria.ac.nz/plagiarism](http://www.victoria.ac.nz/plagiarism) for more information.

**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, information is 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 (macro and micro), financial economics, corporate finance, monetary economics, development and growth, environmental economics, econometrics, actuarial science, behavioural economics and economic history. You can major in economics or finance for a BCom 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 Certificate or Diploma specialising in either economics or finance.

At the graduate level, the School offers a large number of courses for an Honours degree in either economics or finance. To be recognised as a practising economist or financial analyst, an Honours degree is usually essential.

Additional qualifications are also available through the Graduate Programme in Professional Economics (ProEcon) and the Master of Applied Finance (MAF) programme, both of which offer course-based Master's degrees and other postgraduate qualifications. ProEcon is a flexible graduate programme for people that want to develop a career using economics by extending their knowledge and providing them with an economic toolbox to analyse real-world problems and inform decision-making. MAF specialises in offering professional courses to students already in the finance industry, as well as those students who wish to acquire the practical knowledge and analytical 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 research Master's 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 wide range of fulfilling careers, including business, banking, finance, actuarial science, 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 25 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 extend you a warm welcome. Learn well and prosper! 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, actuarial science, 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***

## *200 Level*

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

## *100 Level*

- ECON 130** – Microeconomic Principles
- ECON 141** – Macroeconomic Principles
- FINA 101** – Finance for Business
- QUAN 102** – Statistics for Business
- QUAN 111** – Mathematics for Economics  
and Finance

## *300 Level*

- ACTS 301** – Actuarial Science
- ECON 301** – Econometrics
- ECON 303** – Applied Econometrics
- ECON 305** – Advanced Macroeconomics
- ECON 307** – Public Sector Economics
- ECON 309** – International Economics
- ECON 314** – Game Theory
- ECON 330** – Law and Economics
- ECON 333** – Labour Economics
- ECON 338** – Monetary Economics
- ECON 339** – Information Economics
- ECON 340** – Environmental and Resource  
Economics
- ECON 341** – Public Choice and Social  
Welfare
- ECON 350** – ST: Development Economics
- ECON 361** – Disasters and Economic  
Policy
- 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
- FINA 350** – ST: Behavioural Finance

## UNDERGRADUATE DEGREES AND COURSES

### 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, actuarial science, business, marketing, management, public policy, and finance.

You can major in Economics for a BCom or BA degree. It is an excellent complement to professional subjects such as Law, Accounting, Actuarial Science, 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.

#### *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 the Undergraduate Programme Director. 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 MATH 132 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, ECON 301, or
- (B) MATH 177, 277, QUAN 201, ECON 301

Students planning to do MCom or BCom(Hons) or MA or BA(Hons) in Economics must include a second Statistics course in their BCom or BA programme, since QUAN 203 (or a substitute



acceptable to the Postgraduate Programme Director is a prerequisite for entry to these graduate Economics programmes.

#### *Pathways through a BCom degree*

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

In order to progress through an Economics major, students should take ECON 130 and ECON 141, QUAN 102 and QUAN 111 (or Statistics and Mathematics equivalents) in their first year. We also strongly encourage BCom students to take ACCY 130 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 without any disruption to majoring or prerequisite requirements.

### **ECONOMETRICS**

*Please note that Econometrics is no longer a listed major within the BCom degree, but courses with econometrics content are still very relevant towards majors in Economics, Finance or Actuarial Science.*

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, forecasting, the behaviour of macroeconomic variables, 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, which also prepares students for 200-level study in Economics or Finance. If your mathematics background is weak (no maths beyond year 11) or in need of revision, you should consider taking MATH 132 first and then QUAN 111. Students with a good grasp of mathematics could take MATH 142/151 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 243, 251 and 277 are particularly useful.

A minor in Econometrics can be obtained by including in your programme at least 60 points selected from QUAN 201, 202, 203, ECON 301, 303, FINA 304.

### **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.

#### *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 MATH 177 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 the Undergraduate Programme Director 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 BCom degree*

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

In order to progress through a Finance major, students should take ECON 130, ECON 141, QUAN 102 and QUAN 111 (or Statistics and Mathematics equivalents) in their first year. We also strongly encourage BCom students to take ACCY 130 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.

## **ACTUARIAL SCIENCE**

Actuaries play a central role in modern economies. In addition to working in the traditional fields of life assurance, pensions, investment and general (non-life) insurance, they are now active in management consulting, risk management, statistical work, and modelling a wide variety of quantitative areas of the business world and social sciences, including many policy areas of Government departments.

With a reasonably strong mathematics and statistics background, a major or a minor in actuarial science is available to you in both the BCom and the BSc degrees. The financial mathematics and economics/finance components are taught by the School of Economics and Finance, while the mathematics/statistics and actuarial life contingencies courses are taught by the School of Mathematics and Statistics. The minor in actuarial science consists of 60 points from the major, and in addition must include ACTS 201, MATH 277 and ACTS 301.

### **Majoring requirements for Economics (BCom & BA)**

- Economics**
- (a) ECON 130, ECON 141, QUAN 102 (or MATH 177 or STAT 193), QUAN 111 (or MATH 141/142, 151)
  - (b) ECON 201, ECON 202; one of (ECON 211, 212, FINA 201, MATH 277, QUAN 201, 203)
  - (c) Any three courses from (ECON 301-399, FINA 304, 306, PUBL 303).

### **Majoring requirements for Finance (BCom)**

- Finance**
- (a) ECON 130, ECON 141, QUAN 102 (or MATH 177 or STAT 193), QUAN 111 (or MATH 141/142, 151)

- (b) FINA 201, 202; one of (ACCY 231, ECON 201, 202, FINA 203, MATH 277, QUAN 201, 203)
- (c) Any three courses from ACCY 306, FINA 300-399.

### **Majoring requirements for Actuarial Science (BCom & BSc)**

- Actuarial Science**
- (a) ACCY 111, ECON 130, 141, MATH 142, (MATH 151 or at least B+ in QUAN 111), MATH 177
  - (b) ACTS 201, ECON 201, (FINA 201 or 202), MATH 277
  - (c) ACTS 301, (FINA 306 or 307), STAT 335; one further course from (ECON 301, 314, 339, FINA 304, 305, 306, 307, MATH 377, STAT 332, 393)

#### *Minor requirements*

Students are able to obtain a minor in any subject area not taken as a major by including in their course of study at least 60 points at 200 level or above from the major requirements for that subject, of which at least 15 points are at 300-level. (Also see above for the special requirements for minors in Econometrics and Actuarial Science.)

#### *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 BCom majoring requirement. There is an important difference between an Economics major for a BCom and an external Economics major for a BA or BSc (and between a Finance major for a BCom and an external Finance major for a BSc). In partial, students are not obligated to complete the BCom core as part of their study programme for a BA or BSc.

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

## **UNDERGRADUATE COURSE OFFERINGS**

The School is responsible for courses in these areas:

- Economics (ECON – Labels)
- Econometrics (QUAN – Labels)
- Finance (FINA – Labels)
- Actuarial Science (ACTS – 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 Pipitea campus [Kel] = at the Kelburn campus. (CRN = Course Reference Number)
- 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. 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 (dates to be confirmed)

### Note for Multi-stream Courses

The streaming arrangement for courses will be such that each set of lecture times corresponds to a different course number (CRN). In practical terms, enrolment in a particular stream means you commit to that particular set of lecture times. (All the materials, assessment, etc. will be identical for all streams in the same trimester.) You can change your lecture time, subject to space being available, by filling in a change of course form at the Faculty Student Enquiries counter. You must not attend a stream for which you are not enrolled.

## ECONOMICS (ECON)

ECON 130	MICROECONOMIC PRINCIPLES	15 POINTS	[1/3, 2/3, 3/3]
Coordinator:	Dr Adrian Slack		
Timetable:	1/3 • CRN 10034 • Wed, Fri 3.10-4.00pm [Kel] 1/3 • CRN 10035 • Tue, Thu 12.00-12.50pm [Kel] 2/3 • CRN 10036 • Wed, Fri 2.10-3.00pm [Kel] 2/3 • CRN 8721 • Wed, Fri 10.00-10.50am [Kel] 3/3 • CRN 8827 • Mon, Wed, Fri 10.00-11.50am [Kel]		
Assessment:	Internal 40%, examination 60%		
Set Texts:	K E Case, R C Fair, and S M Oster, <i>Principles of Economics</i> , Global Edition, 12 <sup>th</sup> ed. Pearson (RP)		

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.

ECON 141	MACROECONOMIC PRINCIPLES	15 POINTS	[1/3, 2/3]
Coordinator:	Dr Adrian Slack		
Timetable:	1/3 • CRN 27005 • Tue, Thu 11.00-11.50am [Kel] 2/3 • CRN 27008 • Wed, Fri 9.00-9.50am [Kel]		
Restriction:	ECON 140		
Assessment:	Internal 45%, examination 55%		
Set Texts:	K E Case, R C Fair, and S M Oster, <i>Principles of Economics</i> , Global Edition, 12 <sup>th</sup> ed. Pearson (RP)		

An introduction to macroeconomics, including fiscal and monetary policies, the international sector, and analysis of income-expenditure, IS-LM and aggregate demand-aggregate supply models.

ECON 201	INTERMEDIATE MICROECONOMICS	15 POINTS	[1/3]
Coordinator:	Dr Vladimir Petkov		
Timetable:	1/3 • CRN 1194 • Tue, Fri 2.40-3.30pm [Pip]		

Prerequisites: ECON 130; QUAN 111 or (MATH 141/142, 151)

Assessment: Internal 40%, examination 60%

Set Texts: J Perloff, *Microeconomics with Calculus*, Pearson Addison Wesley (RP)

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.

<b>ECON 202</b>	<b>OPEN-ECONOMY MACROECONOMICS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Shutao Cao

Timetable: 2/3 • CRN 1196 • Wed, Fri 3.40-4.30pm [Pip]

Prerequisites: ECON 141 (or ECON 140)

Assessment: Internal 40%, examination 60%

Set Texts: O Blanchard, *Macroeconomics*, 7<sup>th</sup> ed. Pearson (RP)

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.

<b>ECON 211</b>	<b>INDUSTRIAL ORGANISATION</b>	<b>15 POINTS</b>
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Prerequisites: ECON 141; QUAN 111 or (MATH 141/142, 151)

Restrictions: ECON328

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.

Not offered in 2018

<b>ECON 212</b>	<b>MACROECONOMICS: GROWTH, STABILITY AND CRISES</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Yao Yao

Timetable: 1/3 • CRN 18052 • Mon, Wed 9.30-10.20am [Pip]

Prerequisites: ECON 141(or ECON 140)

Assessment: *Either* internal 45%, examination 55%, *or* examination 100%

Set Texts: A Abel, B Bernanke and D Croushore, *Macroeconomics, Global edition*, 9<sup>th</sup> ed. Pearson (RP)

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.

<b>ECON 301</b>	<b>ECONOMETRICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Prof Donggyun Shin

Timetable: 1/3 • CRN 18060 • Wed, Fri 9.30-10.20am [Pip]

Prerequisites: QUAN 201; QUAN 203 (or MATH 277), one of (ECON 201, 202, FINA 201, 202)

Assessment: Internal 40%, examination 60%

Set Texts: No set text

This course covers the following topics in econometric methods: Ordinary least squares (with matrix algebra); Generalised least squares; Instrumental variables estimation; Maximum likelihood estimation; Binary response and limited dependent variables models; Panel data models.

<b>ECON 303</b>	<b>APPLIED ECONOMETRICS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Prof Donggyun Shin

Timetable: 2/3 • CRN 18061 • Tue, Fri 10.30-11.20am [Pip]

Prerequisites: QUAN 201

Assessment: Internal 50%, examination 50%

Set Texts: No set text

This course focuses on important classical and contemporary econometric techniques and their empirical applications. Empirical applications may relate to topics from labour or health economics, industrial organisation, macroeconomics or international trade.

<b>ECON 305</b>	<b>ADVANCED MACROECONOMICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Robert Kirkby  
 Timetable: 1/3 • CRN 1203 • Wed, Fri 4.40-5.30pm [Pip]  
 Prerequisites: ECON 202; QUAN 111 (or MATH 141/142, 151)  
 Assessment: Internal 40%, examination 60%  
 Set Texts: W Carlin and D Soskice, *Macroeconomics: Institutions, Instability, and the Financial system*, 1<sup>st</sup> ed. Oxford University Press (R)

Causes and consequences of Economic Growth, viewed both narrowly in terms of GDP, and more broadly in terms of the progress of societies. The roles of monetary and fiscal policy in shaping Macroeconomic outcomes. Individual, in-depth analysis of these issues for a selected economy.

<b>ECON 307</b>	<b>PUBLIC SECTOR ECONOMICS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: TBA (this course will be co-taught by the SoG)  
 Timetable: 2/3 • CRN 19742 • Wed, Fri 2.40-3.30pm [Pip]  
 Prerequisites: ECON 201 (or ECON 130, PUBL 203/209)  
 Restriction: PUBL 303 (CRN 2092)  
 Assessment: See course outline  
 Set Texts: TBA

The economic analysis of the role of the state, covering market failure and government failure and related policy instruments, with applications in the areas of taxation, social security and education. This course is co-taught with PUBL 303.

<b>ECON 309</b>	<b>INTERNATIONAL ECONOMICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Yothin Jinjarak  
 Timetable: 1/3 • CRN 1206 • Tue, Thu 4.40-5.30pm [Pip]  
 Prerequisites: ECON 201, ECON 202  
 Assessment: Internal 70%, examination 30%  
 Set Texts: P Krugman, M Obstfeld and M Melitz, *International Economics: Theory and Policy*, 10<sup>th</sup> ed. Pearson (R)

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 current accounts and determinants of exchange rates in relations to international financial policies.

<b>ECON 314</b>	<b>GAME THEORY</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Jack Robles  
 Timetable: 1/3 • CRN 1210 • Mon, Tue 11.30am-12.20pm [Pip]  
 Prerequisites: ECON 201  
 Assessment: Internal 50%, examination 50%  
 Set Texts: J Watson, *Strategy: An Introduction to Game Theory*, 3<sup>rd</sup> ed. W W Norton 2013 (RP)

This course introduces and develops game theory and its applications.

<b>ECON 330</b>	<b>LAW AND ECONOMICS</b>	<b>15 POINTS</b>	
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Prerequisites: ECON 130; 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.

Not offered in 2018

<b>ECON 333</b>	<b>LABOUR ECONOMICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Luke Chu		
Timetable:	1/3 • CRN 1213 • Mon, Wed 4.40-5.30pm [Pip]		
Prerequisites:	ECON 201; QUAN 102 or MATH 177 or STAT 193		
Assessment:	Internal 50%, examination 50%		
Set Texts:	G Borjas, <i>Labor Economics</i> , 7 <sup>th</sup> ed. McGraw-Hill (SR)		
	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.		
<b>ECON 337</b>	<b>THE WORLD ECONOMY AND NEW ZEALAND IN THE TWENTIETH CENTURY</b>	<b>15 POINTS</b>	
Prerequisites:	ECON 201 or 202 or 212		
	An examination of major developments in the world economy since 1900, including wars and other shocks, cyclical processes, and changes in patterns of international economic integration, stressing their impact on New Zealand and the responses of policy makers to these developments.		
	Not offered in 2018		
<b>ECON 338</b>	<b>MONETARY ECONOMICS</b>	<b>15 POINTS</b>	
Prerequisites:	ECON 202 or 212; QUAN 111 or (MATH 141/142, 151)		
	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.		
	Not offered in 2018		
<b>ECON 339</b>	<b>INFORMATION ECONOMICS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Paul Calcott		
Timetable:	2/3 • CRN 18180 • Mon, Wed 1.40-2.30pm [Pip]		
Prerequisites:	ECON314		
Restriction:	ECON314 before 2011		
Assessment:	Internal 50%, examination 50%		
Set Texts:	TBA		
	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.		
<b>ECON 340</b>	<b>ENVIRONMENTAL AND RESOURCE ECONOMICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Paul Calcott		
Timetable:	1/3 • CRN 18063 • Wed, Thu 2.40-3.30pm [Pip]		
Prerequisites:	ECON 201		
Assessment:	Internal 50%, examination 50%		
Set Texts:	R Perman, Y Ma, M Common, D Maddison and J Mcgilvray, <i>Natural Resource and Environmental Economics</i> , 4 <sup>th</sup> ed. Pearson Education (R)		
	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.		
<b>ECON 341</b>	<b>PUBLIC CHOICE AND SOCIAL WELFARE</b>	<b>15 POINTS</b>	
Prerequisites:	ECON 201; QUAN 111 or (MATH 141 or 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.		
	Not offered 2018		

<b>ECON 350</b>	<b>SPECIAL TOPIC: DEVELOPMENT ECONOMICS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Yao Yao  
 Timetable: 2/3 • CRN 23143 • Mon, Thu 2.40-3.30pm [Pip]  
 Prerequisites: ECON201, 202  
 Assessment: Internal 60%, examination 40%  
 Set Texts: No set text

This course highlights important empirical facts concerning growth and development in various countries at different development stages. Fundamental growth theory is then delivered. Topics vary, but may include industrial transformation, urbanization and regional development, R&D and innovation, labour market development, demographic transition, institutional development, and global development.

<b>ECON 352</b>	<b>SPECIAL TOPIC: BANKING</b>	<b>15 POINTS</b>	
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Prerequisites: ECON 201  
 The Economics of Banking.  
 Not offered in 2018

<b>ECON 361</b>	<b>DISASTERS AND ECONOMIC POLICY</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Professor Ilan Noy  
 Timetable: 2/3 • CRN 29066 • Wed, Fri 11.30am-12.20pm [Pip]  
 Assessment: Internal 100%  
 Set Texts: No set text

The economic aspects of disaster management and policy, including these topics: the economic history of natural disasters; the literature on the economics of natural disasters; a comparison with other types of economic shocks (finance, wars).

## ECONOMETRICS (QUAN)

<b>QUAN 102</b>	<b>STATISTICS FOR BUSINESS</b>	<b>15 POINTS</b>	<b>[1/3, 2/3, 3/3]</b>
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Coordinator: Dr John Randal  
 Timetable: 1/3 • CRN 1482 • Mon, Wed 1.10-2.00pm [Kel]  
 1/3 • CRN 4501 • Mon, Wed 11.00-11.50am [Kel]  
 2/3 • CRN 5010 • Mon, Wed 1.10-2.00pm [Kel]  
 2/3 • CRN 16016 • Mon, Wed 11.00-11.50am [Kel]  
 3/3 • CRN 7212 • Tue, Wed, Thu 9.00-10.50am [Kel]  
 Restrictions: MATH 277, STAT 193  
 Assessment: Internal 100%  
 Set Texts: M Clark and J Randal, *A First Course in Applied Statistics*, 2<sup>nd</sup> ed. Pearson 2010 (RP)

An introduction to techniques useful in business research or practice. Topics include graphs and diagrams, measures of location and dispersion, index numbers, probability, sampling, estimation and testing (z, t, chi-square, sign and Mann-Whitney tests), correlation and simple regression.

<b>QUAN 103</b>	<b>INTRODUCTORY MATHS FOR BUSINESS</b>	<b>15 POINTS</b>	
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Restrictions: MATH 103, 113, 114, 132, 141, 142, 151, QUAN 111  
 An introduction to mathematics with applications in business: basic algebra, functions, one-variable differentiation, introductory financial mathematics, basic linear algebra.  
 Not offered in 2018

<b>QUAN 111</b>	<b>MATHEMATICS FOR ECONOMICS AND FINANCE</b>	<b>15 POINTS</b>	<b>[1/3, 2/3]</b>
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Coordinator: Dr Yiğit Sağlam  
 Timetable: 1/3 • CRN 6107 • Tue, Thu 1.10-2.00pm [Kel]  
 2/3 • CRN 6469 • Tue, Thu 10.00-10.50am [Kel]  
 Restrictions: MATH 141/142 and MATH 151



Assessment: Internal 50%, examination 50%  
 Set Texts: P Hammond, K Sydsæter, and A Strøm, *Essential mathematics for Economic Analysis with MyMathLab Global access card*, 4<sup>th</sup> ed, Pearson 2012 (RP)

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.

<b>QUAN 201</b>	<b>INTRODUCTION TO ECONOMETRICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Jan Feld  
 Timetable: 1/3 • CRN 1483 • Mon, Wed 12.40-1.30pm [Pip]  
 Prerequisites: ECON 130, QUAN 102 (or MATH 177 or STAT 193); QUAN 111 (or MATH 141/142, 151)  
 Assessment: Internal 50%, examination 50%  
 Set Texts: J M Wooldridge, *Introduction to Econometrics: EMEA Adaptation*, 5<sup>th</sup> ed. CENGAGE (R)

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.

<b>QUAN 202</b>	<b>BUSINESS AND ECONOMIC FORECASTING</b>	<b>15 POINTS</b>	
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Prerequisites: ECON 130, QUAN 102 (or STAT 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 2018

<b>QUAN 203</b>	<b>QUANTITATIVE METHODS FOR ECONOMICS AND FINANCE</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr John Randal  
 Timetable: 2/3 • CRN 13095 • Tue, Thu 9.30-10.20am [Pip]  
 Prerequisites: ECON 130, QUAN 102 (or STAT 193); QUAN 111 or (MATH 141/142, 151)  
 Restrictions: MATH 277  
 Assessment: Internal 45%, examination 55%  
 Set Texts: R Hogg and E Tanis, *Probability And Statistical Inference*, 8<sup>th</sup> ed. Pearson (R)  
 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.

## FINANCE (FINA)

<b>FINA 101</b>	<b>FINANCE FOR BUSINESS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Toby Daglish  
 Timetable: 2/3 • CRN 18307 • Tue, Thu 10.00-10.50am [Kel]  
 Restrictions: FINA 201, 202, 211  
 Assessment: Internal 50%, examination 50%  
 Set Texts: No set text

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

<b>FINA 201</b>	<b>INTRODUCTION TO CORPORATE FINANCE</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Griffin Geng  
 Timetable: 1/3 • CRN 18176 • Tue, Thu 3.40-4.30pm [Pip]  
 Prerequisites: ECON 130, ECON 141, QUAN 102 (or MATH 177 or STAT 193); QUAN 111 (or MATH 141/142, 151)  
 Restrictions: FINA 211

Assessment: Internal 30%, examination 70%  
 Set Texts: S Ross, R Westerfield and J Jaffe, *Corporate Finance*, 10<sup>th</sup> ed. McGraw-Hill/Irwin 2013 (SR)

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.

<b>FINA 202</b>	<b>INTRODUCTION TO INVESTMENTS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Cheng Zhang  
 Timetable: 2/3 • CRN 18177 • Mon, Wed 9.30-10.20am [Pip]  
 Prerequisites: ECON 130, ECON 141, QUAN 102 (or MATH 177 or STAT 193); QUAN 111 (or MATH 141/142, 151)  
 Assessment: Internal 50%, examination 50%  
 Set Texts: Z Bodie, M Kane and A J Marcus, *Investments*. 10<sup>th</sup> ed. McGraw-Hill Irwin, 2014 (SR), S Ross, R Westerfield and J Jaffe, *Corporate Finance*, 10<sup>th</sup> ed. McGraw-Hill 2013 (R)

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

<b>FINA 203</b>	<b>APPLIED FINANCE</b>	<b>15 POINTS</b>	
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Prerequisites: FINA 101 or FINA 201 or FINA 211  
 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 2018

<b>FINA 211</b>	<b>CORPORATE FINANCE FOR ACCOUNTING AND BUSINESS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Griffin Geng  
 Timetable: 1/3 • CRN 27048 • Tue, Thu 4.40-5.30pm [Pip]  
 Prerequisites: ECON 130, QUAN 102 (or MATH 177 or STAT 193)  
 Assessment: Internal 50%, examination 50%  
 Set Texts: S Ross, R Westerfield and J Jaffe, *Corporate Finance*, 10<sup>th</sup> ed. McGraw-Hill/Irwin 2013 (R)

An introduction to the fundamental concepts in corporate finance for accounting and business. Topics include net present value, alternative investment rules, capital budgeting, capital structure and long-term financing.

<b>FINA 301</b>	<b>CORPORATE FINANCE</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Griffin Geng  
 Timetable: 2/3 • CRN 18053 • Mon, Wed 10.30-11.20am [Pip]  
 Prerequisites: FINA 201, 202  
 Assessment: Internal 30%, examination 70%  
 Set Texts: D Hiller, M Grinblatt, and S Titman, *Financial Markets and Corporate Strategy*, McGraw-Hill Education (R)

Significant aspects of financial decision making 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.

<b>FINA 302</b>	<b>INTERNATIONAL CORPORATE FINANCE</b>	<b>15 POINTS</b>	
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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.

Not offered in 2018

<b>FINA 303</b>	<b>DERIVATIVES</b>	<b>15 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Toby Daghli		
Timetable:	2/3 • CRN 18055 • Wed, Fri 11.30-12.20am [Pip]		
Prerequisites:	FINA 201, 202		
Assessment:	Internal 55%, examination 45%, OR Internal 65%, examination 35%		
Set Texts:	J Hull, <i>Fundamentals of Futures and Options Markets</i> , 8 <sup>th</sup> ed. Pearson (SR)		
This course covers options, forward contracts, futures contracts, and other common derivative contracts. Topics include how these contracts work, how they are used, and how they are priced.			
<b>FINA 304</b>	<b>FINANCIAL ECONOMETRICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Cheng Zhang		
Timetable:	1/3 • CRN 18056 • Wed, Thu 11.30-12.20am [Pip]		
Prerequisites:	FINA 202, QUAN 201/203 or MATH 277		
Assessment:	Internal 50%, examination 50%		
Set Texts:	No set text		
This course develops tools for analyzing financial time series and estimating and testing simple financial models, including: the capital asset pricing model (CAPM), autoregressive moving average (ARMA) models, and generalized autoregressive conditional heteroskedastic (GARCH) models.			
<b>FINA 305</b>	<b>INVESTMENTS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Hai Lin		
Timetable:	1/3 • CRN 18057 • Tue, Fri 10.30-11.20am [Pip] 1/3 • CRN 30188 • Tue, Fri 3.40-4.30pm [Pip]		
Prerequisites:	FINA 201, 202		
Assessment:	Internal 40%, examination 60%		
Set Texts:	Z Bodie, M Kane and A J Marcus, <i>Investments</i> . 10 <sup>th</sup> ed. McGraw-Hill Irwin, (R)		
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.			
<b>FINA 306</b>	<b>FINANCIAL ECONOMICS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
Coordinator:	Professor Graeme Guthrie		
Timetable:	2/3 • CRN 18178 • Tue, Thu 3.40-4.30pm [Pip]		
Prerequisites:	B or better in ECON 201; QUAN 102 (or MATH 177 or STAT 193); QUAN 111 (or MATH 141/142, 151)		
Assessment:	Internal 50%, examination 50%		
Set Texts:	No set text		
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.			
<b>FINA 307</b>	<b>RISK MANAGEMENT AND INSURANCE</b>	<b>15 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Leigh Roberts		
Timetable:	1/3 • CRN 18058 • Mon, Thu 10.30-11.20am [Pip]		
Prerequisites:	FINA 201/202/203/211		
Assessment:	Internal 60%, examination 40%		
Set Texts:	No set text		
Selected topics in risk management, banking and insurance; the use of financial and insurance markets to transfer and share risk; financial risk management case studies; regulation of finance, banking and insurance markets; recent developments in financial markets.			

<b>FINA 308</b>	<b>FINANCIAL INSTITUTIONS MANAGEMENT</b>	<b>15 POINTS</b>
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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.

Not offered in 2018

<b>FINA 350</b>	<b>ST: BEHAVIOURAL FINANCE</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Jinji Hao

Timetable: 2/3 • CRN 25123 • Tue 12.40-1.30pm, Wed 4.40-5.30pm [Pip]

Prerequisites: FINA201, FINA202

Assessment: Internal 45%, examination 55%

Set Texts: No set text

The traditional framework for thinking about financial markets assumes that all market participants are fully rational. However, a recently emerging paradigm, behavioural finance, argues that many financial phenomena are the result of less than fully rational thinking. This course revisits basic topics in finance from a behavioural finance perspective.

## ACTUARIAL SCIENCE (ACTS)

<b>ACTS 201</b>	<b>FINANCIAL MATHEMATICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Eric Ulm

Timetable: 1/3 • CRN 29082 • Mon, Wed 9.30-10.20am [Pip]

Prerequisites: QUAN 102 (or STAT 193 or MATH 177), QUAN111 (or MATH 141/142, 151)

Assessment: Internal 40%, examination 60%

Set Texts: S J Garrett, *An Introduction to the Mathematics of Finance: A Deterministic Approach*, 2<sup>nd</sup> ed. Elsevier (RP)

Mathematical principles of compound interest, geometric series and annuities; valuation of loans; returns on financial transactions; duration and immunisation theory; term structure of interest rates; stochastic interest rates.

<b>ACTS 301</b>	<b>ACTUARIAL SCIENCE</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Eric Ulm

Timetable: 2/3 • CRN 27135 • Mon, Wed, Fri 3.10-4.00pm [Kel]

Prerequisites: ACTS 201, ECON 141, MATH 277

Assessment: Internal 30%, examination 70%

Set Texts: D Dickson, M Hardy and H Waters, *Actuarial Mathematics for Life Contingent Risks*, 2<sup>nd</sup> ed. Cambridge University Press (RP)

This is a capstone course for the Actuarial Science major that brings together skills and knowledge from prior courses to develop an understanding of their practical application in the actuarial profession. It provides grounding in the mathematical techniques that can be used to model risks and contingencies.

## BCom Major Requirements

*Note: If taken as an outside major for another degree the ACCY, COML, HRIR, IBUS, MARK, MGMT and TAXN majors also require completion of the BCom core.*

### Accounting

- (a) FINA 101 (or 201 or 211)
- (b) ACCY 223, 225, 231; COML 203, 204, TAXN 201
- (c) ACCY 302, 308, 330

### Actuarial Science

- (a) ACCY 111, ECON 130, 141, MATH 142, (MATH 151, or at least B+ in QUAN 111), MATH 177
- (b) ACTS 201, ECON 201, (FINA 201 or 202), MATH 277

- (c) ACTS 301, (FINA 306 or 307), STAT 335; one further course from (ECON 301, 314, 339, FINA 304, 305, 306, 307, MATH 377, STAT 332, 393)

#### **Commercial Law**

- (a) COML 203, 204, one course from (COML 205, 206, TAXN 201)  
 (b) COML 310; two further courses from COML 300-399\*

\* One of these may be replaced by an approved course from TAXN 300-399.

#### **Economics**

- (a) ECON 130, 141, QUAN 102 (or MATH 177 or STAT 193), QUAN 111 (or MATH 141/142, 151)  
 (b) ECON 201, 202; one of (ECON 211, 212, FINA 201, MATH 277, QUAN 201, 203)  
 (c) Any three courses from (ECON 301-399, FINA 304, 306, PUBL 303)

#### **Finance**

- (a) ECON 130, 141, QUAN 102 (or MATH 177 or STAT 131/193), QUAN 111 (or MATH 141/142, 151)  
 (b) FINA 201, 202; one of (ACCY 231, ECON 201, 202, FINA 203, MATH 277, QUAN 201, 203, STAT 231, 233)  
 (c) Three courses from ACCY 306, FINA 300-399

#### **Human Resource Management and Industrial Relations**

- (a) HRIR 201, MGMT 202  
 (b) HRIR 320; three further courses from HRIR 300-399  
 (c) One further course from COML 302, ECON 333, HRIR 300-399, MGMT 300-399

#### **Information Systems**

- (a) INFO 101, 141, 151; three courses from INFO 200-299  
 (b) INFO 320 or 395; two further courses from INFO 301-399

Note: A student completing a major in Information Systems for the BCom degree may obtain a specialisation by including courses as follows:

##### **IS Business Analysis**

INFO 101, 141, 151, 231, 234, 264, 395; any two of INFO 334, 354, 376

##### **IT Solutions**

INFO 101, 141, 151, 226, 231, 246, 320; any two of INFO 354, 376, 377, 386

#### **International Business**

- (a) IBUS 201, 205, 212, 305, 312; one further course from IBUS 300-399, MARK 302 (or from ACCY 309, COML 306, ECON 309, FINA 302, HRIR 303)  
 (b) 20 100-level ASIA, CHIN, FREN, GERM, ITAL, JAPA, PASI or SPAN points or one of (ASIA 201, 202, 203, FHSS 210), or an approved substitute

#### **Management**

- (a) MGMT 202, 205, 206  
 (b) MGMT 320, three further courses from MGMT 300-399

#### **Marketing**

- (a) MARK 201, 202, 203, 301, 303  
 (b) Two further courses from (MARK 300-399, COML 308)

#### **Public Policy**

- (a) FCOM 111 or PUBL 113 or POLS 111  
 (b) PUBL 201, 210; one further course from PUBL 200-299  
 (c) PUBL 310; one further course from PUBL 300-399  
 (d) One further course from PUBL 200-399

#### **Taxation**

- (a) ACCY 231, COML 203, 204, TAXN 201  
 (b) TAXN 301; two further courses from TAXN 300-399

## **POSTGRADUATE DEGREES AND COURSES**

### **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 40 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.

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.

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.

### **Certificate and Diploma Specialisations**

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 Honours Programme Director.

#### **Economics**

ECON 201, 202; one course from (ECON 211, 212, FINA 201, MATH 277, QUAN 201, 203); three courses from (ECON 300-399, FINA 304, 306, PUBL 303); two approved 300-level electives

#### **Finance**

FINA 201, 202; one course from (ACCY 231, ECON 201, 202, FINA 203, MATH 277, QUAN 201, 203); three courses from (ACCY 306, FINA 300-399); two approved 300-level electives

### **Customised Programmes for the GCertCom or GDipCom**

If you are putting together your own programme, talk to the Honours Programme Director, and see the Associate Dean (Students), for approval of your programme before you enrol. Graduates are sometimes 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, it is recommended that you talk to the Honours Programme Director to ensure you will be successful in gaining the prerequisites needed for a full Honours programme.

### **Honours, Master's, PhD**

Our postgraduate programmes expose 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 Honours Programme Director, or Postgraduate Programme Director.

## Honours

### Entry Requirements

#### Economics

45 points from ECON 300-399, PUBL 303

#### Finance

45 points from FINA 301-399

In addition, 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. Students who have a BA and who wish to enrol for a BCom(Hons) should consult the Honours Programme Director. Overseas students without a strong economics and/or finance background will be encouraged to do the Graduate Diploma in Commerce before studying towards a Postgraduate degree (details of this diploma are given on page 19).

### Prerequisite Planning

#### Economics

Macroeconomics students need ECON 305, QUAN 201 and QUAN 203 to enrol in the core papers ECON 402 and 403. Microeconomics students need ECON 314 and QUAN 203 to enrol in the core papers ECON 404 and 405. Additional prerequisites may be required to enrol in elective 400-level papers. Consult the course listings which follow.

#### Finance

Finance honours students need FINA 306, and QUAN 203 to enrol in the core papers FINA 401 and 402. Additional prerequisites may be required to enrol in elective 400-level papers.

### Degree Requirements

The Bachelor of Arts with Honours, BA(Hons), is currently offered in Economics while the Bachelor of Commerce with Honours, BCom(Hons), is currently offered in Economics and in Finance. The BCom(Hons) and BA(Hons) degrees consist of the following statute requirements:

#### Economics for BA(Hons) or BCom(Hons)

- (a) ECON 430; 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

#### Finance for BCom(Hons)

- (a) FINA 430; FINA 401, 402;
- (b) Two further courses from FINA 401-489;
- (d) Two further courses from FINA 403-489, ECON 401-489.

**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 Honours Programme Director.
- (b) Each student's programme must be approved by the Economics and Finance Honours Programme Director. 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.

**Availability of Courses**

The courses actually available in any year are substantially determined by student demand and staff availability. Intending candidates are advised to discuss their proposed programme with the Honours Programme Director early. Not all optional courses will be available in any particular year. Prerequisites to individual courses may be waived, provided the Honours Programme Director can be satisfied that the student has the required background knowledge from some other source.

**Student Facilities**

Access to an exclusive Victoria Business School Honours Student study room is provided for full-time 400-level students at the 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 and Stata is available for use. Students also receive a contribution towards printing 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 and Finance 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.

**400-level Assessment and Class of Degree**

Honours degrees are awarded with first, upper second, lower second, or third class honours, and is based upon an overall assessment of the calibre of work done across all the courses taken. 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, 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.





## 400-LEVEL COURSE OFFERINGS 2017

TRIMESTER ONE	TRIMESTER TWO
<b>ECON 402</b> Advanced Macroeconomic Theory A	<b>ECON 403</b> Advanced Macroeconomic Theory B
<b>ECON 404</b> Advanced Microeconomic Theory A	<b>ECON405</b> Advanced Microeconomic Theory B
<b>ECON 408</b> Advanced Econometrics A	<b>ECON 409</b> Advanced Econometrics B
<b>ECON 433</b> Labour Economics	<b>ECON 411</b> Public Economics: Economics of Social Regulation
<b>FINA 402</b> Current Topics in Corporate Finance	<b>ECON 412</b> International Economics: Trade
<b>FINA 403</b> Derivative Securities	<b>ECON 418</b> Behavioural Economics
	<b>FINA 401</b> Current Topics in Asset Pricing
	<b>FINA 404</b> Portfolio Theory
<b>ECON/FINA 430</b>	

### ECONOMICS

<b>ECON 401</b>	<b>TOPICS IN THE NATURE OF ECONOMIC INQUIRY</b>	<b>15 POINTS</b>
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Prerequisites: 45 300-level ECON or FINA pts

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 2018

<b>ECON 402</b>	<b>ADVANCED MACROECONOMIC THEORY A</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Yao Yao

Timetable: 1/3 • CRN 2175 • Mon 2.40-4.30pm

Prerequisites: ECON 305; QUAN 201, 203

Assessment: Internal 50%, examination 50%

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.

<b>ECON 403</b>	<b>ADVANCED MACROECONOMIC THEORY B</b>	<b>15 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Shutao Cao		
Timetable:	2/3 • CRN 2176 • Wed 9.30-11.20am		
Prerequisites:	ECON 305; QUAN 201, 203		
Assessment:	Internal 40%, examination 60%		
Set Texts:	No set text		
New Keynesian macroeconomics and its implications for Dynamic Stochastic General Equilibrium (DSGE) models.			
<b>ECON 404</b>	<b>ADVANCED MICROECONOMIC THEORY A</b>	<b>15 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Vladimir Petkov		
Timetable:	1/3 • CRN 1219 • Wed 2.40-4.30pm		
Prerequisites:	ECON 314; QUAN 203		
Assessment:	Internal 40%, examination 60%		
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.			
<b>ECON 405</b>	<b>ADVANCED MICROECONOMIC THEORY B</b>	<b>15 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Paul Calcott		
Timetable:	2/3 • CRN 1220 • Fri 1.40-3.30pm		
Prerequisites:	ECON 314; QUAN 203		
Assessment:	Internal 40%, examination 60%		
Set Texts:	No set text		
This course uses applied game theory to examine contracts, incentives and delegation.			
<b>ECON 408</b>	<b>ADVANCED ECONOMETRICS A</b>	<b>15 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Yiğit Sağlam		
Timetable:	1/3 • CRN 2178 • Fri 2.40-4.30pm		
Prerequisites:	ECON 301		
Assessment:	Internal 65%, examination 35%		
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.			
<b>ECON 409</b>	<b>ADVANCED ECONOMETRICS B</b>	<b>15 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Mohammed Khaled		
Timetable:	2/3 • CRN 2179 • Mon 9.30-11.20am		
Prerequisites:	ECON 301		
Assessment:	Internal 60%, examination 40%		
Set Texts:	No set text		
In-depth coverage of econometric methods for time series and models for panel data. This course is co-taught with MMAF532.			
<b>ECON 410</b>	<b>PUBLIC ECONOMICS: TAXES AND TRANSFERS</b>	<b>15 POINTS</b>	
Prerequisites:	ECON 201, 307 (or PUBL 303)		
Restrictions:	PUBL 410		
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.			
Not offered in 2018			

<b>ECON 411</b>	<b>PUBLIC ECONOMICS: ECONOMICS OF SOCIAL REGULATION</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Paul Calcott  
 Timetable: 2/3 • CRN 2181 • Thu 2.40-4.30pm  
 Prerequisites: ECON 201, 307 (or PUBL 303)  
 Restrictions: PUBL 411  
 Assessments: Internal 40%, examination 60%  
 Set Texts: TBA

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.

<b>ECON 412</b>	<b>INTERNATIONAL ECONOMICS: TRADE</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Shutao Cao  
 Timetable: 2/3 • CRN 2182 • Tue 1.40-3.30pm  
 Prerequisites: ECON 309 or 314 (or 201)  
 Assessment: Internal 60%, examination 40%  
 Set Texts: TBA

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

<b>ECON 413</b>	<b>INTERNATIONAL ECONOMICS: MONETARY</b>	<b>15 POINTS</b>	<b>]</b>
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Prerequisites: ECON 305 or 309 or 338

Key issues and analytical techniques in modern open macroeconomics and international monetary economics. The course discusses the role of inter-temporal considerations in determining external balances, exchange rates, and monetary policy in small open economies like New Zealand.

Not offered in 2018

<b>ECON 418</b>	<b>BEHAVIOURAL ECONOMICS</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Jan Feld  
 Timetable: 2/3 • CRN 2186 • Fri 9.30-11.20am  
 Prerequisites: 45 approved 300-level ECON or FINA pts  
 Assessment: Internal 55%, examination 45%  
 Set Texts: TBA

In contrast to the rational and self-interested model of human behaviour traditionally used in economics, behavioural economics uses insights from psychology and sociology to make more realistic assumptions about human behaviour and motivations. In particular, this course studies people's limited computational capacity, limited self-control and social preferences and their implications.

<b>ECON 421</b>	<b>ASIAN MIRACLE ECONOMIES SINCE 1945</b>	<b>15 POINTS</b>	
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Prerequisites: 20 300-level ECON, HIST or IBUS pts

This course analyses the economic transformation of Asian economies after 1945, examining why some grew faster than others and so many descended into crisis during the 1990s. A strong emphasis is placed on the role of economic policy.

Not offered in 2018

<b>ECON 422</b>	<b>INDUSTRIAL ORGANISATION</b>	<b>15 POINTS</b>	
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Prerequisites: ECON 314

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.

Not offered in 2018

<b>ECON 423</b>	<b>MACROECONOMIC MODELLING OF THE NEW ZEALAND ECONOMY</b>	<b>15 POINTS</b>
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Prerequisites: ECON 305

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.

Not offered in 2018

<b>ECON 430</b>	<b>RESEARCH PROJECT IN ECONOMICS</b>	<b>30 POINTS</b>	<b>[1/3 + 2/3]</b>
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Coordinator: Dr Hai Lin with individually appointed supervisors

Timetable: 1/3+2/3 • CRN 18500

A supervised research project that provides students with the opportunity to undertake independent research in a specific area of economics.

<b>ECON 431</b>	<b>GROWTH AND DEVELOPMENT</b>	<b>15 POINTS</b>
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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 2018

<b>ECON 432</b>	<b>MONETARY ECONOMICS</b>	<b>15 POINTS</b>
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Prerequisites: ECON 305 or 338

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 2018

<b>ECON 433</b>	<b>LABOUR ECONOMICS</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Harold Cuffe

Timetable: 1/3 • CRN 18503 • Thu 2.40-4.30pm

Prerequisites: ECON 333 (ECON 201 strongly recommended)

Assessment: Internal 50%, examination 50%

Set Texts: TBA

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

<b>ECON 434</b>	<b>ECONOMIC DYNAMICS</b>	<b>15 POINTS</b>
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Prerequisites: 45 300-level ECON/OPRE/QUAN pts

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

Not offered in 2018

## FINANCE

<b>FINA 401</b>	<b>CURRENT TOPICS IN ASSET PRICING</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Jinji Hao

Timetable: 2/3 • CRN 18487 • Tues 3.40-5.30pm

Prerequisites: FINA 306, QUAN 203

Assessment: Internal 50%, examination 50%

Set Texts: J H Cochrane, *Asset Pricing* (Revised Edition), Princeton University Press (SR)

An intensive examination of modern research in asset pricing, focusing on the role of intertemporal risks, asymmetric information and liquidity. Topics include consumption-based asset pricing models; the theory, estimation, and evaluation of factor pricing models; recent developments in the

theoretical and empirical market microstructure literature; applications to real-world trading platforms.

<b>FINA 402</b>	<b>CURRENT TOPICS IN CORPORATE FINANCE</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Michael Keefe  
 Timetable: 1/3 • CRN 18488 • Tue 9.30-11.20am  
 Prerequisites: FINA 301, QUAN 203 (FINA306 will be accepted in place of FINA301 in 2015)  
 Assessment: Internal 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.

<b>FINA 403</b>	<b>DERIVATIVE SECURITIES</b>	<b>15 POINTS</b>	<b>[1/3]</b>
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Coordinator: Prof Graeme Guthrie  
 Timetable: 1/3 • CRN 18489 • Wed 9.30-11.20am  
 Prerequisites: FINA 305, QUAN 203  
 Assessment: Internal 40%, examination 60%  
 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.

<b>FINA 404</b>	<b>PORTFOLIO THEORY</b>	<b>15 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Toby Daghli  
 Timetable: 2/3 • CRN 18490 • Thu 12.40-2.30pm  
 Prerequisites: FINA 305, QUAN 203  
 Assessment: Internal 60%, examination 40%  
 Set Texts: J Y Campbell and L M Viceira, *Strategic Asset Allocation*, Oxford University Press, 2003 (SR)

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. This is co-taught with MMAF529.

<b>FINA 405</b>	<b>REAL OPTIONS</b>	<b>15 POINTS</b>
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Prerequisites: QUAN 203, 15 pts from (FINA 301, 305, 306)  
 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.

Not offered in 2018

<b>FINA 406</b>	<b>FIXED INCOME SECURITIES</b>	<b>15 POINTS</b>
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Prerequisites: FINA 403  
 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.

Not offered in 2018

<b>FINA 407</b>	<b>CORPORATE GOVERNANCE</b>	<b>15 POINTS</b>
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Prerequisites: ECON314 or FINA 306  
 Restrictions: FINA414 in 2012-14

An intensive examination of modern research in corporate governance based on information asymmetries. Topics include the separation of ownership and control, delegated monitoring, executive compensation and the market for corporate control.

Not offered in 2018



The MCom or MA by thesis is for those graduates who wish to undertake a substantial independent research project. This gives them the opportunity to build on their experience in the Honours programme, and apply their new research skills to further specialise in an area of Economics or Finance of their own choosing.

It is a good choice for Honours graduates who want to undertake further research without the lengthy time commitment that a PhD represents. The Master's thesis can be completed in two trimesters; the maximum period of enrolment is 12 months full time or two years half time.

The aim is to provide students with an opportunity to develop their research skills in Economics or Finance, with a view to career enhancement or as preparation for doctoral study, either at Victoria University or elsewhere.

### Entry Requirements

To enrol in the MCom in Economics you need to have completed either:

- a BCom degree including QUAN 201 or 203 and 45 points of 300-level Economics\* (including ECON 305 or 314) and a grade average of B+ or better
- a BCom(Hons) in Economics with Second Class Honours (first division) or better
- a suitable alternative degree (or the equivalent in extensive and appropriate practical, professional or scholarly experience).

\* PUBL 303 can be counted here as a 300-level Economics course

To enrol in the MA in Economics you need to have completed either:

- a BA degree including QUAN 201 or 203 and 45 points of 300-level Economics\* (including ECON 305 or 314) and a grade average of B+ or better
- a BA(Hons) in Economics with Second Class Honours (first division) or better
- a suitable alternative degree (or the equivalent in extensive and appropriate practical, professional or scholarly experience).

\* PUBL 303 can be counted here as a 300-level Economics course

To enrol in the MCom in Finance you need to have completed either:

- a BCom degree including QUAN 203 and 45 points of 300-level Finance (including FINA 301 and 306) and a grade average of B+ or better
- a BCom(Hons) in Finance with Second Class Honours (first division) or better
- a suitable alternative degree (or the equivalent in extensive and appropriate practical, professional or scholarly experience)

You should consult the Postgraduate Programme Director to confirm your eligibility and discuss your prospective programme.

Students will only be admitted to the 180-point MCom once a year (in February/March), and will normally finish in June of the following year (or in February if supervision can be arranged during the summer).

Master's by coursework is suitable for most students who have completed an undergraduate degree in economics or finance, and most overseas students will take this route to a Master's degree.

Master's by thesis is available only to students who have completed a previous honours degree. For further information - <http://www.victoria.ac.nz/study/apply-enrol/postgraduate-admissions>

### Degree Requirements

#### 180-point Master's Degree by Coursework

To complete the 180-point MCom in Economics you need to take:

- ECON 430; either ECON 402, 403 or ECON 404, 405; two further courses from ECON 401-489; two further courses from ECON/FINA 401-489; and either:

- (a) ECON 530 and 531; or
- (b) One of ECON 530, 531; plus 30 further points at 400-level or above, including at least 15 approved points at 500-level

To complete the 180-point MCom in Finance you need to take:

- FINA 401, 402, 430; two further courses from FINA 401-489; two further courses from ECON/FINA 401-489; and either
  - (a) FINA 530 and 531; or
  - (b) One of FINA 530, 531; plus 30 further points at 400-level or above, including at least 15 approved points at 500-level

### **120-point Master's Degree by Thesis**

- To complete the 120-point MCom in Economics, having entered the degree with a completed Honours degree, you need to take either:
  - (a) A 120-point Master's thesis, ECON 591; or
  - (b) A 90-point Master's thesis, ECON 592, plus 30 approved points at 400-level or above
- To complete the 120-point MA in Economics, having entered the degree with a completed Honours degree, you need to take a 120-point Master's thesis, ECON 591.
- To complete the 120-point MCom in Finance, having entered the degree with a completed Honours degree, you need to take either:
  - (a) A 120-point Master's thesis, FINA 591; or
  - (b) A 90-point Master's thesis, FINA 592, plus 30 approved points at 400-level or above

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 regularly by the School.

The Master's thesis in Economics or Finance is a research project made up of a study of literature, data collection, analysis and findings (up to 40,000 words in total). It allows the candidate to further build on their experience and undergraduate degree to specialise in a subject area of their own interest. It is a piece of independent research, with a supervisor or supervisors acting as a mentor to guide and support the candidate through the topic area and research process. It requires a one-year full time period of study, although it can be undertaken part time. Enrolment in the thesis can take place at any time during the academic year.

The MCom thesis degree is administered by Victoria Business School, who can advise on the enrolment process as well as provide administrative assistance and general information. The MA is administered by the Faculty of Humanities and Social Sciences.

Prospective students should contact the Postgraduate Programme Director, to discuss the academic requirements of the MCom or MA, and the potential for a supervisor whose research interests and/or teaching are closely aligned with the proposed thesis topic.

### **Doctoral Study (PhD)**

Doctoral level study is the highest degree offered by the School. It is by thesis only, and available for suitability qualified candidates in areas where appropriate supervision is available.

A PhD consists of an individual piece of supervised research taking a minimum of two years full-time (or four years part-time) and a maximum of four years (six years part-time). The thesis is written in close consultation with at least two staff members, a Primary and a Secondary, who act as supervisors. At submission, the candidate submits a piece of work constituting a significant contribution to the body of knowledge in the subject area chosen.

The thesis is then assessed by three examiners and this may be followed by an oral examination. Detailed PhD statutes can be found in the University Calendar.



Students admitted to a PhD will normally be required to have completed a Master's degree with a thesis component.

It is useful to research staff research interests when thinking about topics and potential supervisors. You may also discuss your plans with the School's PhD Admissions Director, Professor Ilan Noy.

The Faculty of Graduate Research ([www.victoria.ac.nz/fgr](http://www.victoria.ac.nz/fgr)) provides the first port of call for all students interested in enrolling in a PhD at Victoria as well as providing continued support throughout your studies. The website provides application forms, details of available funding, application dates, and answers to a host of questions. Application deadlines are 1 March, 1 July and 1 November each year.



## PROFESSIONAL DEGREES

### Master of Applied Finance Programme (MAF)

Four qualifications are offered:

- The Master of Applied Finance (MAF)
- The Postgraduate Diploma in Financial Analysis (PGDipFA)
- The Postgraduate Diploma in Treasury Management (PGDipTM)
- The Postgraduate Certificate in Financial Markets Analysis (PGCertFMA)

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.

#### 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

### **Accreditation**

The MAF 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)

Links of this kind are a valued part of the programme.

### **How is the programme taught?**

MAF courses are taught using either a weekly lecture or block modular lecture format:

- 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 concurrently, 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 is generally by e-mail.
- Modules can 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!

### **Duration**

Many 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 18 months, depending on the topic.

### **Admission criteria**

Admission criteria for the Postgraduate Certificate, 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.

While finance is a quantitative subject, you should not feel discouraged about the rustiness of your mathematical skills. We can suggest carefully managed catch-up work in the early stages that will help ensure you gain the most value from your study. 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. If you have not studied mathematics and statistics at undergraduate level (100 level or above) we will normally require you to enrol in such course in preparation. If this is likely to apply to you, we suggest getting in touch as soon as possible to discuss.

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 – that can, at times, be quite demanding.

### 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:

Miss Rachel Zhang  
Senior Administrator, MAF Programme  
School of Economics and Finance  
Victoria University of Wellington  
P O Box 600, Wellington, New Zealand  
Phone: +64 4 463 6148  
e-mail: [maf-programme@vuw.ac.nz](mailto:maf-programme@vuw.ac.nz)

#### On academic matters:

Dr Michael Keefe  
Director, MAF Programme  
School of Economics and Finance  
Victoria University of Wellington  
P O Box 600  
Wellington, New Zealand  
e-mail: [michael.keefe@vuw.ac.nz](mailto:michael.keefe@vuw.ac.nz)

website: [www.victoria.ac.nz/maf](http://www.victoria.ac.nz/maf)

## MAF 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
- MMAF514 or MMAF 515, or approved alternatives by the Programme Director.

### For the Postgraduate Certificate in Financial Markets Analysis (60 points)

- Three approved courses, selected from the MAF Schedule.

If you are initially accepted for the PGDipFA, PGDipTM or PGCertFMA 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.

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## PART 1

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MMAF 502	CORPORATE FINANCE	20 POINTS	[1/3]
Coordinator:	Dr Michael Keefe		
Timetable:	1/3 • CRN 8054 • Scheduled in Block Release Delivery Mode [Pip]		
An in-depth review of the interface between corporate finance and the markets, from the vantage point of the corporate treasurer. Firm and project valuation through cash flow analysis, discounting in various forms, the cost of capital, the process of setting risk premiums, and risk analysis. Implications of long term financing decisions to the cost of capital. Valuation of projects through real options analysis.			

<b>MMAF 510</b>	<b>GLOBAL CAPITAL MARKETS</b>	<b>20 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Cheng Zhang		
Timetable:	1/3 • CRN 9554 • Weekly lectures; Refer to the online VUW timetable		
A review of the institutional details and survey of the application of finance theory to global financial markets. Asset classes, financial instruments, security trading, and financial institutions. Risk, return, portfolio capital allocation, and the CAPM (Capital Asset Pricing Model). Bond pricing, interest rates, term structure, and bond portfolios. Risk management using future markets and swaps.			

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**PART 2**


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<b>MMAF 511</b>	<b>INTERNATIONAL CORPORATE FINANCE</b>	<b>20 POINTS</b>	<b>[1/3]</b>
Coordinator:	Professor Jennifer Foo		
Timetable:	1/3 • CRN 8055 • Scheduled in Block Release Delivery Mode [Pip]		
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.			

<b>MMAF 512</b>	<b>TREASURY MANAGEMENT</b>	<b>20 POINTS</b>	
The financing and management of the firm from perspective of the Treasury Department. Financing growth through internal cash flow, long term debt, convertible debt, leasing, equity, and trade finance. Optimal management of cash, inventory and credit policies. Strategy development and planning relative to multinational taxes and capital budgeting.			
Not offered in 2018			

<b>MMAF 513</b>	<b>TREASURY OPERATIONS</b>	<b>20 POINTS</b>	<b>[TBC]</b>
The application of the theories of financial intermediation to bank treasury operations. The institutional and regulatory aspects of financial institutions. Topics covered are: financial intermediation theory, regulatory bank capital, risk management, stress testing, liquidity management, stake-holder engagement, bank strategy and bank governance.			

<b>MMAF 514</b>	<b>DERIVATIVES</b>	<b>20 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Hai Lin		
Timetable:	2/3 • CRN 8058 • Weekly lectures; Refer to the online VUW timetable		
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.			

<b>MMAF 515</b>	<b>FINANCIAL INSTITUTIONS MANAGEMENT</b>	<b>20 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Martien Lubberink		
Timetable:	1/3 • CRN 8059 • Scheduled in Block Release Delivery Mode [Pip]		
Advanced topics in investments and asset pricing. Extends the CAPM and introduces the APT model. Explores the use of asset pricing to evaluate fund performance, and the use of portfolio theory for active tactical investment decisions.			

<b>MMAF 516</b>	<b>PORTFOLIO DESIGN AND INVESTMENT</b>	<b>20 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Toby Daghli		
Timetable:	2/3 • CRN 8060 • Scheduled in Block Release Delivery Mode [Pip]		
Advanced topics in investments and asset pricing. Extends the CAPM and introduces the APT model. Explores the use of asset pricing to evaluate fund performance, and the use of portfolio theory for active tactical investment decisions.			


<b>MMAF 524</b>	<b>FINANCIAL ECONOMETRICS</b>	<b>20 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Yigit Sağlam		
Timetable:	2/3 • CRN 9708 • Weekly lectures; Refer to the online VUW timetable		
Develop financial models using the <i>R</i> statistical programming language. Using econometric methods in <i>R</i> , explore the time series properties of financial datasets, including trend, seasonality, autocorrelation, and stationarity. Investigate volatility models and perform sensitivity analysis.			
<b>MMAF 525</b>	<b>FINANCIAL MODELLING</b>	<b>20 POINTS</b>	<b>[1/3]</b>
Coordinator:	Professor Eric Ulm		
Timetable:	1/3 • CRN 10247 • Weekly lectures; Refer to the online VUW timetable		
Develop spreadsheet models using Microsoft Excel to tackle finance questions such as: risk analysis via simulation and bootstrapping, portfolio analysis, efficient frontier estimation, value at risk, equity and interest rate modelling, and bond credit risk models. Using the Python programming language, extend and scale these models.			
<b>MMAF 527</b>	<b>SPECIAL TOPIC: DERIVATIVE SECURITIES</b>	<b>20 POINTS</b>	<b>[1/3]</b>
Coordinator:	Professor Graeme Guthrie		
Timetable:	1/3 • CRN 10722 • Weekly lectures; Refer to the online VUW timetable		
Pricing of options and option-type assets and their use in hedging financial risk. Co-taught with FINA 403.			
<b>MMAF 528</b>	<b>SPECIAL TOPIC: CURRENT TOPICS IN CORPORATE FINANCE</b>	<b>20 POINTS</b>	<b>[1/3]</b>
Coordinator:	Dr Michael Keefe		
Timetable:	1/3 • CRN 10723 • Weekly lectures; Refer to the online VUW timetable		
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. Co-taught with FINA402			
<b>MMAF 529</b>	<b>SPECIAL TOPIC: PORTFOLIO THEORY</b>	<b>20 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Toby Daghish		
Timetable:	2/3 • CRN 10971 • Weekly lectures; Refer to the online VUW timetable		
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. This course is co-taught with FINA 404.			
<b>MMAF 530</b>	<b>SPECIAL TOPIC: APPLIED CORPORATE GOVERNANCE</b>	<b>20 POINTS</b>	
A study of the key concepts, structures and dynamics of corporate governance. The course will focus on the roles and interests of shareholders, managers, and directors. Topics include choices of organisational form, executive compensation, boards of directors, institutional investors, shareholder activism and corporate governance reforms.			
Not offered in 2018			
<b>MMAF 531</b>	<b>SPECIAL TOPIC: EARLY STAGE FINANCING</b>	<b>20 POINTS</b>	<b>[1/3]</b>
Coordinator:	Wade Brooks		
Timetable:	1/3 • CRN 11693 • Weekly lectures; Refer to the online VUW timetable		
An in-depth review of the financing of early stage companies from the vantage point of both the entrepreneur and the financier (e.g. venture capitalist or angel investor). Operational financial management including pro-forma financial statements, cash to cash cycles, and working capital needs. Evaluate early stage investments using multiple investment criteria. Financing methods such as multiple rounds, convertible notes and hybrids.			
<b>MMAF 532</b>	<b>SPECIAL TOPIC: ADVANCED ECONOMETRICS B</b>	<b>20 POINTS</b>	<b>[2/3]</b>
Coordinator:	Dr Mohammed Khaled		
Timetable:	2/3 • CRN 11697 • Weekly lectures; Refer to the online VUW timetable		



## Graduate Programme in Professional Economics (ProEcon)

Victoria Business School has a flexible graduate programme focused on extending the economics knowledge of students and providing them with a toolbox to analyse real-world problems and inform decision-making.

With a focus on flexibility and meeting student's needs, the Programme offers three qualifications:

- The Master of Professional Economics (MPE)
- The Postgraduate Diploma in Professional Economics (PGDipPE)
- The Postgraduate Certificate in Professional Economics (PGCertPE)

### What makes this programme special?

The ProEcon Programme is *Economics in action*.

The programme links economics with work. It breaks new ground in equipping participants with the knowledge, skills and tools required by policy makers, business analysts and consultants.

The programme has been designed in close consultation with leading professional economists: the Government Economics Network, the New Zealand Association of Economists, bank economists and other professionals. They will continue to have input as invited speakers and reviewers.

With a mix of part-time and full-time students, plus interaction with staff and guest lecturers, the Programme opens up networks with professionals across the business and policy industries.

While the programme is firmly based in research, the emphasis is on how you use what you will learn. It combines developing a sound conceptual base- *so you understand why you are doing it* – with computer and communication skills – *so you learn how to apply economics and how to communicate the results in a professional way*.

Courses are taught in Wellington, the centre of New Zealand's government, home to a number of big and boutique business, and the 'coolest little capital in the world'. Courses may be delivered via weekly lectures or in 'block' mode where participants attend modules organised in four to five full-day sessions, making the programme suitable for busy professionals.

### Who is the programme for?

The programme is designed for people who wish to develop a career using economics and opens the door to a range of roles:

- analyst or adviser in a multinational company
- economic or management consultant
- central government policy analyst, adviser, or regulator
- economist in a bank or other financial institution
- economist or analyst in an international organisation
- analyst or advocate for industry advocacy groups
- international trade body economist
- regional government and transport planners
- media researcher or presenter
- professionals from other backgrounds moving into business or policy

Synergies with other Victoria postgraduate programmes can open up yet further career possibilities. Students can take suitable courses from Master of Applied Finance programme (MAF), Master of Business Administration (MBA) and the Public Policy graduate programmes.

### How is the programme taught?

The qualifications in the ProEcon programme are all based on course work.

- Courses are taught either by weekly lectures or in 'block' mode. The mode for a particular course may change.
- The duration of each course is about 4-5 months – one trimester. Courses are usually timetabled so that they do not clash.
- Courses currently run in a cycle of 12 to 24 months, depending on the topic.

Check our website for up to date information.

The block mode means that:

- contact hours are concentrated into four to five full-day blocks. These are organised as two blocks of 2-2.5 days or four 1 day blocks. Attendance at all blocks is compulsory.
- Blocks are spread across a trimester.
- Blocks for different courses run consecutively, to avoid disruption to your professional responsibilities and to minimise transportation costs.
- Reading, assignments and tutorials are done between the blocks in your own time, and contact with the lecturer in charge is generally by e-mail.

*Courses from other Victoria postgraduate programme can be included, subject to approval by the ProEcon Director.*

### 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.

### Completion timeframes

Qualification	Minimum	Maximum
Master's degree	three trimesters	six years
Postgraduate Diploma	two trimesters	four years
Postgraduate Certificate	one trimester	two years

### Admission criteria

Admission criteria for the ProEcon qualifications 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, econometrics or finance.

We do accept candidates who do not have a degree, where we think that the quality of their professional background and experience indicates 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 PGCertPE or PGDipPE, with a view to transferring to the Master's degree at a later date.

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. Relevant professional experience is also an advantage.

It is not necessary upon entry to be highly computer literate, as development of your spreadsheet and other skills is supported during the programme.

Likewise, you should not necessarily feel discouraged about the rustiness of your mathematical background. While comfort with some mathematics and statistics will be necessary, advanced



theory in these areas is not the focus of this Programme. We can suggest options for preparatory work or refreshers, and carefully managed catch-up work in the early stages will help.

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. Your time management should allow for the demands of the programme and also your personal and professional life.

The ProEcon 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:

	<u>on administrative matters:</u>	<u>on academic matters:</u>
	Miss Rachel Zhang	Dr Adrian Slack
	Senior Administrator	Director, ProEcon Programme
	School of Economics and Finance	School of Economics and Finance
Phone:	+64 4 463 6148	+64 4 463 5125
Email:	<a href="mailto:proecon@vuw.ac.nz">proecon@vuw.ac.nz</a>	<a href="mailto:adrian.slack@vuw.ac.nz">adrian.slack@vuw.ac.nz</a>
Office:	RWW120	RWW116

**Website:** [www.victoria.ac.nz/proecon](http://www.victoria.ac.nz/proecon)

## GRADUATE PROGRAMME IN PROFESSIONAL ECONOMICS STRUCTURE

### For the Master of Professional Economics (180 points) or Postgraduate Diploma in Professional Economics (120 points)

- The three Part 1 courses (60 points), normally completed before or concurrently with Part 2.
- A further 100 points (MPE) or 60 points (PGDipPE) in an approved selection of courses from Part 2.
- Part 3 (for the MPE only), one course from (MMAF 501, 502 or 510) or another approved course from the MAF Schedule.

### For the Postgraduate Certificate in Economics (60 points)

- Three approved courses (60 points), selected from the MPE Schedule.

If you are initially accepted for the Certificate or Diploma you can apply to transfer to the Master's degree. A sufficiently strong performance (normally a B average or better) is required.

Other courses may be available from among the existing offerings in the BCom (Hons) and other postgraduate programmes at Victoria subject to approval by the Director. If you would like to explore such options, talk with the Director who can advise on suitability, points value, and whether the courses are offered in modular form.

All MPE courses are 20-point courses. If a course is scheduled for 2015, the information below notes in brackets what trimester the course will be offered in.

## PART 1

MMPE 501	MICROECONOMICS IN CONTEXT	20 POINTS	[1/3]
Coordinator:	Dr Adrian Slack		
Timetable:	1/3 • CRN 26131 • Weekly lectures; Refer to the online VUW timetable		
	Frameworks for decision making by individuals, firms and government agencies. The course introduces cost-benefit analysis and covers consumer and household economics; different trading		

arrangements and market structures; implications of government interventions in modern economies. Emphasises the interpretation of microeconomic analysis.

<b>MMPE 502</b>	<b>MACROECONOMICS IN CONTEXT</b>	<b>20 POINTS</b>	<b>[2/3]</b>
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Coordinator: Professor Ilan Noy  
 Timetable: 2/3 • CRN 26132 • Weekly lectures; Refer to the online VUW timetable  
 Aggregate economic analysis and its implementation in monetary and fiscal policy, using workhorse frameworks such as the AS/AD model and extensions. The course addresses the roles of government and central bank, Keynesian versus neoclassical policy prescriptions and debates in local and global contexts; mechanisms and models of economic stabilisation, growth and development.

<b>MMPE 503</b>	<b>ECONOMIC RELATIONSHIPS IN AN EMPIRICAL CONTEXT</b>	<b>20 POINTS</b>	<b>[2/3]</b>
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Coordinator: Dr Yiğit Sağlam  
 Timetable: 2/3 • CRN 26133 • Weekly lectures; Refer to the online VUW timetable  
 An introduction to applied econometrics and its use in quantifying relationships in practical settings. The course includes building a working knowledge of how and when to apply particular techniques, with applications from microeconomics, macroeconomics, policy evaluation, and economic development

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## PART 2

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<b>MMPE 504</b>	<b>REGULATION: ECONOMICS FOR THE PUBLIC SECTOR</b>	<b>20 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Paul Calcott  
 Timetable: 1/3 • CRN 26135 • Weekly lectures; Refer to the online VUW timetable  
 An investigation of forces shaping the behaviour of individuals, private and public organisations. The course critiques the economic roles of law, policy and regulation in various settings, with case studies on regulatory impact assessment and of agencies such as Health, Education, and Social Development.

<b>MMPE 505</b>	<b>INFORMATION, INSTITUTIONS AND MARKETS</b>	<b>20 POINTS</b>	<b>[2/3]</b>
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Coordinator: TBA  
 Timetable: 2/3 • CRN 26135 • Modular, dates to be advised  
 How information and institutions may shape industries, distortions in markets and their evolution. The course investigates the characteristics of markets and the implications for firm conduct and market outcomes. Game theory frames specific applications and market case studies.

<b>MMPE 506</b>	<b>INTERNATIONAL AND TRADE ECONOMICS</b>	<b>20 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Yothin Jinjarak  
 Timetable: 1/3 • CRN 26136 • Weekly lectures; Refer to the online VUW timetable  
 Open economies: small and large. Models and mechanisms of international trade: classical comparative advantage; differentiated products; trade and development. Trade agreements, rules, and related international structures/bodies. Offshore investment and capital market flows. Focuses on Asia/Pacific economies and their trade prospects

<b>MMPE 507</b>	<b>RESOURCE MARKETS AND THE ENVIRONMENT</b>	<b>20 POINTS</b>	
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Business, trade and policy issues around exhaustible and renewable resources. The course covers topical debates - climate change, resource-intensive commodities, and environmental stewardship - and case studies specific markets. Core models are used to frame debates, suggest institutions and policy responses.

Not offered in 2018

<b>MMPE 508</b>	<b>PUBLIC FINANCE: OPTIONS, IMPLICATIONS AND SIMULATING THE IMPACTS</b>	<b>20 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Adrian Slack  
 Timetable: 1/3 • CRN 26138 • Weekly lectures; Refer to the online VUW timetable

The design, practice and impact of public sector revenue and expenditure decisions. The course separates public financing from spending issues, relates principles to practical applications such as infrastructure and project evaluation. Explores how microsimulation modelling can quantify the impact of policy.

<b>MMPE 509</b>	<b>BEHAVIOURAL ECONOMICS</b>	<b>20 POINT</b>	<b>[2/3]</b>
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Coordinator: Dr Jan Feld

Timetable: 2/3 • CRN 27155 • Weekly lectures; Refer to the online VUW timetable

In contrast to the rational and self-interested model of human behaviour traditionally used in economics, behavioural economics uses insights from psychology and sociology to make more realistic assumptions about human behaviour and motivations. In particular, this course studies people's limited computational capacity, limited self-control and social preferences and their implications. Co-taught with ECON 418.

<b>MMPE 516</b>	<b>ECONOMICS OF INTERNATIONAL TRADE</b>	<b>30 POINTS</b>	<b>[1/3]</b>
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Coordinator: Dr Yothin Jinjarak

Timetable: 1/3 • CRN TBA • Weekly lectures; Refer to the online VUW timetable

Study of open economics with economic models of international trade, including classical comparative advantage, increasing return to scale, and differentiated products. Apply understanding of economic models to current issues and controversies, including trade and development, environment, trade agreements and trade diversion, offshoring investment, FDI, and outsourcing. Co-taught with MMPE 506

<b>MMPE 521</b>	<b>ST: ASIAN MIRACLE ECONOMIES SINCE 1945</b>	<b>20 POINTS</b>	<b>[2/3]</b>
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Coordinator: TBA

Timetable: 2/3 • CRN 26236 • Weekly lectures; Refer to the online VUW timetable

This course analyses the economic transformation of Asian economies after 1945, examining why some grew faster than others and so many descended into crisis during the 1990s. A strong emphasis is placed on the role of economic policy.

<b>MMPE 522</b>	<b>ST: THE ECONOMICS OF NATURAL DISASTERS AND CLIMATE CHANGE</b>	<b>20 POINTS</b>	
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This special topic frames how natural disasters impact on the economy, evaluates prevention and mitigation policy, and appraises post-disaster interventions and their efficacy. This course may also include material on the scientific implications of climate change – impacts mitigation, and adaptation.

Not offered in 2018

<b>MMPE 523</b>	<b>ST: BUSINESS CYCLE ANALYSIS AND IMPLICATIONS</b>	<b>20 POINTS</b>	<b>[3/3]</b>
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Coordinator: Dr Adrian Slack

Timetable: 3/3 • TBA•

Theory and empirics of business cycles. The output gap: theory, measurement.

Recession/recovery dating. Leading, coincident, lagging indicators. Fiscal policy: the structural balance, fiscal impulse. Overall monetary conditions. Use of diffusion indices. Forecasting GDP, interest rates, exchange rates. Using forecasts in business and policy contexts.

<b>MMPE 530-532</b>	<b>DIRECTED INDIVIDUAL STUDY</b>	<b>20 POINTS</b>	<b>[1/3, 3/3]</b>
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Coordinator: Dr Adrian Slack

Timetable: TBA•

A Directed Individual Study is a tailored course. Applications are considered on an individual basis, and approval is by the discretion of the Director and may be subject to the availability of a suitable supervisor. The focus and requirements are determined for each individual student (where a DIS course is approved).

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**PART 3**

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Part 3 courses for the Master's degree should be selected from the MMAF 501, 502 or 510, or another approved course from the Master of Applied Finance (MAF) Schedule.

*All courses are subject to the availability of lecturers and changes are possible. Please check our website for up to date information – [www.victoria.ac.nz/proecon](http://www.victoria.ac.nz/proecon).*

**OTHER GENERAL INFORMATION AND PROCEDURES****Course materials****Course costs**

All costs of course materials are approximate. Latest prices can be viewed on vicbooks' website [www.vicbooks.co.nz](http://www.vicbooks.co.nz). Vicbooks offers a buyback service for second hand books at the beginning of each trimester. The latest buyback list can be viewed at [www.vicbooks.co.nz](http://www.vicbooks.co.nz).

**Course readings**

Vicbooks stocks all required course materials including textbooks and student notes. Course materials for courses based at Pipitea Campus can be purchased from the Vicbooks, ground floor, Rutherford House. For Kelburn based courses, course materials can be purchased from ground floor, Easterfield Building, Kelburn Parade. Course materials can also be ordered online at [www.vicbooks.co.nz](http://www.vicbooks.co.nz)

**Course outlines**

At the beginning of each course, students will have access to a course outline through blackboard or course finder. This contains all necessary information about the course including the number of class meetings, their types and times, set texts, assignments, tests and examinations and mandatory course requirements (minimum class work for 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.

**Official School communications**

Official notices of the School are communicated via your ITS email account and Blackboard.

## Academic Restrictions

A BCom or BTM student who has failed a course twice needs the approval of the Associate Dean (Students) to enrol for it again. Third attempts are granted only with good cause, and permission may be subject to a reduction in study load to allow extra time to be devoted to the course concerned.

Apply by email, setting out the reasons why you think your previous attempts were unsuccessful and indicating changes in your personal circumstances that suggest you will do better next time. Include in the email your full name, student number and a contact telephone number. (If your reasons relate to sensitive personal matters that you do not wish to set down in a letter, you should make an appointment to discuss the situation.)

Students who have performed unsatisfactorily over two consecutive trimesters may be restricted to a reduced workload until their performance improves. In addition, anyone who obtains all E grades in a single trimester may have their enrolment for the following trimester cancelled unless they can show that they did in fact engage significantly with their studies. Contact the Associate Dean if you want to discuss having a restriction or dis-enrolment reconsidered.

## Academic Advice

For general advice concerning your BCom or BTM, go to the Student and Academic Services (SAS) Reception Counter on the ground floor of Rutherford House or to level two Murphy on the Kelburn campus. The staff there will either deal with your problem or refer you to the relevant person.

### **myQual**

*If your question is about the progress of your degree, you can often find the answers you need on myQual. myQual is an online degree tool that shows you the progress of your degree and majors/minors—which requirements have been completed, which are in progress and which are yet to be started. You can access myQual through [myVictoria](#).*

## Changes of Course

If you wish to make any changes to your initial enrolment, you may be able to do so online. Otherwise, pick up a change of course form from the Murphy or Rutherford House Reception Counter. That form can be used for a wide variety of changes, including addition of (or withdrawal from) a course, change of address/degree/major, or complete withdrawal from the university. Before being processed the form requires your signature plus the date (just below the Declaration statement).

If wishing to add a Commerce course, first check the prerequisites. Prerequisites are there to indicate appropriate preparation for the course, and you may not add a course unless you have either passed the prerequisite(s) or will do so before the course starts (or the School has waived the prerequisite). You should also check the restrictions: enrolment in a course for which you have already passed a course listed as a restriction is prohibited, unless you are given special permission by the Associate Dean (Students). Approval to add a course after classes start may be denied if there is insufficient room, or if the Associate Dean (Students) considers that you have missed too much of the course.

*Note: If you have been accepted into a course but you fail the prerequisite, then your status in that course will automatically be changed to DE (= Declined Entry), unless the School informs the SAS Office that the prerequisite has been waived.*

Withdrawals from an undergraduate commerce course do not require a signature from the course coordinator. Just put a line through the course you are dropping, sign the form and hand it in at the Murphy or Rutherford House Reception Counter. Do make sure though that you are not dropping a prerequisite for a course you want to take later on, or losing full-time status, which may cause visa difficulties for international students or result in the loss of a student loan. You may withdraw without penalty during the first two weeks of a first or second trimester course, but after that you will not receive a full refund of tuition fees.

It is not usually possible to withdraw from a course after the  $\frac{3}{4}$  point (see the date shown in the course outline). However, if you had been making satisfactory progress in a course until forced to abandon it by medical or other personal circumstances, then the Associate Dean (Students) may permit you to withdraw late. Fill in a late withdrawal application at the Counter, supplying supporting

evidence of your situation. Just dropping out without withdrawing officially means a fail grade which could disadvantage you later (see Academic Restrictions).

### **Compensation Pass**

The Associate Dean (Students) deals with this matter at the end of each trimester. Students for a BCom or BTM degree, or the GDipCom, who are one course short, having failed that with a D or K grade in their final year, may be offered a compensation pass if they have a B- average or better either in the rest of that year's courses (having passed at least 90 points that year) or over the whole degree.

Normally a compensation pass will not be given for any course needed to meet the minimum 300-level requirements for a degree or diploma, or the 300-level requirements of a BCom major. If you think you qualify and want to make sure that you will be considered, contact the SAS Office.

### **Mandatory Course Requirements**

To pass a course you must obtain a course mark of at least 50%. Many courses have additional requirements that must be met; these may involve obtaining a minimum mark in a test or examination, or carrying out some specific tasks, like attending a minimum number of tutorials. Failure to meet any of these will mean you fail the course, even if your course mark is 50% or more (in that case you get a K grade, still a fail). Mandatory requirements will be spelled out, along with other important information, in the course outline available to students in the first two weeks of lectures. It is your responsibility to access a copy of the course outline ([via the Course Finder or Blackboard](#)) and read it thoroughly.

### **Part-time Study**

If you are planning to study part-time, take our advice and begin slowly! Do not rush in and try to do too much in your first trimester. It is better to start with a modest load and increase that only if comfortable passes are obtained. Studying part-time is not easy – jobs have a way of becoming more demanding just when that essay or test is coming up, and many part-time students will have other commitments which are likely to impede their academic progress. In addition, part-time study leaves few opportunities for significant participation in the life of the University.

### **Reconsiderations**

If you consider that the mark (or grade) awarded for any particular item of work in a course is unfair, then you should consult the course coordinator without delay, explaining the basis for your concern. The coordinator should respond to any points raised with reference to the marking scheme used for that item, but is not required to re-mark all of the work.

### **Aegrotat process**

If something serious happens to affect your ability to take assessments or exams, you may be eligible for an aegrotat. The first step is to discuss your options with your Faculty office.

**Student Services**

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/students/support](http://www.victoria.ac.nz/students/support) to find out more. Many of these services are available at all campuses. Choose the location which suits you best by visiting the website above for contact details. For example:

- Accommodation
- Careers and Employment
- Disability Services (DS)
- Health Services
- IT services
- Library
- Maori/Pasifika support (Te Pūtahi Atawhai)
- Student Learning
- Student Union (VUWSA)
- Student Fees Advisers
- Student disputes resolution

**Victoria Abroad**

As a Victoria University student you have the chance to complete part of your Victoria degree at a world-class institution overseas while paying domestic fees. Victoria has exchange agreements with a number of universities in other countries, including Canada, Germany, France, Italy, Japan, the Netherlands, Poland, Singapore, Sweden and the United States. Under these agreements it is possible to spend up to a year overseas taking courses that will be credited to your degree. (Note that 300-level courses for any BCom major should normally be taken at Victoria unless authorisation is given by the School and approved by the Associate Dean (Students) or Faculty Manager.)

Victoria Abroad students are expected to meet their own travel and living expenses, but are eligible for StudyLink loans and allowances. All exchange students receive a grant from Victoria Abroad and Victoria Business School offers contestable exchange scholarships to help towards expenses. For more information, please visit the website:

[www.victoria.ac.nz/exchange](http://www.victoria.ac.nz/exchange)



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