School of Economics
Website: http://www.adelaide.edu.au/econ

Contents

Awards and Rules.....................................222

Bachelor of Economics
B.Ec.
Specific Academic Program Rules ...........225
Syllabuses .....................................................230

Bachelor of Economics
(International Agricultural Business)
B.Ec.(Int.Ag.Bus.)
Specific Academic Program Rules ...........236
Syllabuses .....................................................239

Bachelor of Finance
B.Fin.
Specific Academic Program Rules ...........241
Syllabuses .....................................................246
Economics — Awards and Rules

Undergraduate awards in the School of economics

Ordinary degree of Bachelor of Economics
Ordinary degree of Bachelor of Economics (International Agricultural Business)
Ordinary degree of Bachelor of Finance
Honours degree of Bachelor of Economics
Honours degree of Bachelor of Finance

Notes on Delegated Authority

1 Council has delegated the power to approve minor changes to the General Academic Program Rules to the Convenor of Academic Board.

2 Council has delegated the power to approve minor changes to the Specific Academic Program Rules to the Executive Deans of Faculties.

3 Council has delegated the power to specify syllabuses to the Head of each department or centre concerned, such syllabuses to be subject to approval by the Faculty or by the Executive Dean on behalf of the Faculty.
The University is currently in the process of implementing a new information systems infrastructure. This includes a new Student Administration system. A consequence of this initiative is that the University has adopted a new set of nomenclature to describe its academic awards and curriculum offerings.

The changes in terminology that will be noticed in the Handbook of Academic Programs are as follows:

<table>
<thead>
<tr>
<th>Term</th>
<th>New Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Program</td>
<td>Is used to describe academic awards which were previously referred to as Courses</td>
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<tr>
<td>Course</td>
<td>Is used to describe syllabus offerings which were previously referred to as Subjects</td>
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<tr>
<td>Unit</td>
<td>Is used to describe the value the course contributes to program completion previously referred to as Points</td>
</tr>
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</table>
Specific Academic Program Rules

1 General
There shall be an Ordinary and an Honours degree of Bachelor of Economics. A candidate may obtain either degree or both.

2 Duration of program
The program of study for the Ordinary degree of Bachelor of Economics shall extend over three years of full-time study or its part-time equivalent. A candidate for the Ordinary degree shall attend lectures and pass examinations in accordance with the provisions of these Specific Academic Program Rules.

3 Assessment and examinations
3.1 (a) A candidate shall not be eligible to attend for examination unless the prescribed work has been completed to the satisfaction of the teaching staff concerned.
(b) For the purposes of these Specific Academic Program Rules a candidate who has failed to comply with the provisions of 3.1(a) above shall be deemed to have failed the examination.

3.2 In determining a candidate’s final result in a course (or part of a course) the examiners may take into account oral, written, practical and examination work, provided that the candidate has been given adequate notice at the commencement of the teaching of the course of the way in which work will be taken into account and of its relative importance in the final result.

3.3 There shall be four classifications of pass in the final assessment of any course for the Ordinary degree, as follows: Pass with High Distinction, Pass with Distinction, Pass with Credit, Pass. A pass of a certain standard may be prescribed in the syllabuses as a prerequisite for admission to further studies in other courses. A candidate may present, for the ordinary Degree of Bachelor of Economics, a limited number of courses for which a Conceded Pass has been obtained, as specified in 4.6 below.

3.4 A candidate who fails a course or who obtains a lower division pass and who desires to take that course again shall, unless exempted wholly or partially therefrom by the Dean of the School of Economics, again complete the required work in that course to the satisfaction of the teaching staff concerned.

3.5 A candidate who has twice failed the examination in any course for the Ordinary degree may not enrol for that course again or for any other course which in the opinion of the School contains a substantial amount of the same material, except by permission of the School and then only under such conditions as School may prescribe.

3.6 There shall be three classifications of Pass in the final assessment of any course for the Honours degree as follows: First Class, Second Class, Third Class. The Second Class classification shall be divided into two divisions as follows: Division A and Division B.

4 Qualification requirements
4.1 To qualify for the Ordinary degree of Bachelor of Economics, candidates must pass courses with a combined total of not less than 72 units drawn from 4.7 including:
(a) not more than 24 units from Level I, including:
   9101 Business Data Analysis I or
   5543 Statistical Practice I
   2076 Macroeconomics I
   4309 Microeconomics I
(b) the following Level II courses:
   9893 Macroeconomics II
   8870 Microeconomics II
   3784 Economic Data Analysis II or
   4523 Statistical Practice II and
   4107 Introduction to Mathematical Statistics II
   from the School of Mathematical and Computer Sciences.
Economics — B.Ec.

(c) either
(i) at least 16 units of Level III Economics courses from those listed in 4.7.1(a) with the remaining units from courses at Level II (or higher) included in 4.7 or
(ii) 12 units of Level III Economics courses, with at least another 12 units of Level III courses from those listed in 4.7 (see note (d)).

(d) Included in the 72 units there must be:
(i) at least one of the following Economic History courses:
   9073 Economic History I
   5381 Australian Economic History II
   9272 International Economic History III
(ii) see also note 5.4 (a) below, covering prerequisites for the Bachelor of Economics (Honours) degree.

4.2 To qualify for the degree of Bachelor of Economics a student who transferred into the Bachelor of Economics from another university and has been granted status for studies completed prior to transfer must satisfy all conditions in 4.1 and must pass at least 24 units of Level II or III courses taught at Adelaide University. These must include 12 units of Level III Economics courses. However, this requirement may be waived in special circumstances approved by the School.

4.3 A candidate for the degree of Bachelor of Economics at Adelaide University, who wishes to undertake courses elsewhere towards their degree, must satisfy all conditions in 4.1 above and present courses taught at Adelaide University having a minimum value of 48 units, including at least 12 units of Level II or III Economics courses, and also arrange for the proposed scheme of study elsewhere to be approved in advance by the School. However, this requirement may be waived in special circumstances approved by the School.

4.4 (a) Graduates of Adelaide University (except those specified in 4.4 (b) below) or of other institutions who wish to proceed to the degree of Bachelor of Economics and to count towards that degree courses which they have already presented for another qualification may be permitted to do so subject to the following conditions:
(i) they may present for the degree such courses to a maximum aggregate value of 24 units;
(ii) they shall present at least 16 units for courses at Level III, which have not been presented to any other degree, including at least 12 units for Economics courses, and
(iii) they shall present a range of courses which fulfil the requirements of 4.1 above
(b) Graduates of Adelaide University who wish to proceed to the degree of Bachelor of Economics and to count towards that degree courses which they have already presented for the Bachelor of Commerce, Bachelor of Finance, Bachelor of Computer Science, Bachelor of Science in the School of Mathematical and Computer Sciences, Bachelor of Arts, Bachelor of Engineering (Chemical), Bachelor of Engineering (Civil), Bachelor of Engineering (Civil & Environmental), Bachelor of Engineering (Computing Systems), Bachelor of Engineering (Electrical & Electronic), Bachelor of Engineering (IT & T) and Bachelor of Engineering (Mechanical) degree may be permitted to do so subject to the following conditions:
(i) they may present for the degree such courses to a maximum aggregate value of 48 units
(ii) they shall present at least 24 units which have not been presented for any other degree comprising either at least 16 units of Level III Economics courses from those listed in 4.7(a) with the remaining units from courses at Level II or Level III included in 4.7 or 12 units of Level III Economics courses, with at least another 12 units of Level III courses from those listed in 4.7 and
(iii) they shall present the courses specified in 4.1(a), 4.1(b) and 4.1(d) above
(iv) they hold only one of the degrees listed in 4.4(b).

4.5 In determining a candidate’s eligibility for the award of the degree, the School may disallow any course passed more than 10 years previously.
4.6 A candidate may present for the Ordinary degree of Bachelor of Economics conceded passes in Level II and Level III courses provided that the unit value for any individual course for which a conceded pass is presented does not exceed 3 units, and the aggregate value does not exceed 6 units. Conceded passes are not awarded in those courses listed in 4.7.1(a) of the Ordinary Degree of Bachelor of Economics.

Notes (not forming part of the Specific Academic Program Rules)

1 Not all Level II and Level III courses will be offered (not forming part of the Specific Academic Program Rules) every year. Courses will be offered according to numbers of students enrolled and staff availability. Students can increase their flexibility by taking 8870 Microeconomics II in their second semester concurrently with 2076 Macroeconomics I and 9893 Macroeconomics II in their third semester so that some Level III courses will be available in their third semester and almost all by their fourth semester.

2 Students are advised that a knowledge of mathematics is helpful for economics courses and is essential for some courses. Students who are particularly interested in Mathematics, and are intending to apply for Honours, are encouraged to take some courses in the School of Mathematical and Computer Sciences. (For example: 9786 Mathematics I or 3017 Mathematics IM: 5543 Statistical Practice I instead of 9101 Business Data Analysis I; and both of the 2-unit courses 4523 Statistical Practice II and 4107 Introduction to Mathematical Statistics II instead of Economic Data Analysis II).

3 Candidates who were enrolled for the degree prior to 1990 and who planned to present the course 4367 Applied Economics III (as part of the requirements for the degree under the Schedules then current) but have not yet passed it should apply to the School for permission to present an alternative course.

4 Studies in Law within the Degree of Bachelor of Economics.

(1) Candidates who have gained a reserved place in Law Studies on the basis of their SACE Stage 2 or equivalent results must, at the first attempt, successfully complete courses to the value of 24 units of the B.Ec. before being eligible to take up their place in Law studies.

(2) Candidates who have successfully completed courses to the value of 24 units of the B.Ec. degree may apply for admission to Law Studies. Applications for admission to Law must be made through SATAC by the closing date of the year during which they complete the 24 units. Except with the permission of the Dean of the School of Law or a nominee, 9402 Legal Skills I must be undertaken concurrently with the Law course 5272 Law of Contract. Students will remain candidates for the degree of B.Ec. and may present for the degree of B.Ec. the Law courses listed in the Specific Academic Program Rules for the degree of Bachelor of Laws. Students must complete all the requirements for the B.Ec. before they can obtain their LL.B degree.

(3) See also the Specific Academic Program Rules of the LL.B degree and Introductory Notes to the LL.B Syllabuses.

(4) Credit for Law courses passed prior to 1987. Candidates who wish to present for the B.Ec degree Law courses passed prior to 1987 should apply in writing to have their position determined by the School of Economics. Such candidates will not be disadvantaged by the transition. However, in accordance with the Specific Academic Program Rules of the degree of Bachelor of Laws, students who have passed 6256 Elements of Law and 2944 Constitutional Law I shall be deemed to have passed 6019 Law and Legal Process.

Candidates undertaking study for the degree of Bachelor of Economics and one of the degrees of Bachelor of Commerce, Bachelor of Finance, Bachelor of Science (Mathematical and Computer Sciences) or Bachelor of Computer Science concurrently:

Candidates may enrol for the degree of Bachelor of Economics concurrently with one of the degrees of Bachelor of Arts, Bachelor of Commerce, Bachelor of Engineering (Chemical), Bachelor of Engineering (Civil), Bachelor of Engineering (Civil and Environmental), Bachelor of Engineering (Computer Systems), Bachelor of Engineering (Electrical & Electronic), Bachelor of Engineering (I T & T), Bachelor of Engineering (Mechanical), Bachelor of Finance, Bachelor of Science (Mathematical and Computer Sciences) or Bachelor of Computer Science if they apply for admission and are admitted to both programs. Candidates already enrolled in the Bachelor of Economics wishing to proceed to one of these additional degrees concurrently, may apply towards the end of their first year for admission to the B.A., B.Com., B.E.(Chem.), B.E.(Civil), B.E. (Civil & Env.), B.E.(Comp.Sys.), B.E.(Elect.), B.E. (I T & T), B.E.(Mech.), B.Fin., B.Sc.(Ma. & Comp. Sc.) or B.Comp.Sc. in the following year.

(1) The combined degrees may be completed in a minimum of four years of full time study provided appropriate courses are selected. Candidates should seek program advice regarding course choice.

(2) Candidates must complete all of the requirements for the Bachelor of Economics, together with the following minimum requirements for the other degree:
   i they must complete the compulsory courses for that degree
   ii they shall present 24 units for courses at Level III which have not been presented to the Bachelor of Economics degree

(3) Candidates should note that an enrolment in courses exceeding a total unit value of 24 units per year will result in a program overload and
is subject to approval. Candidates should be aware of the full implications of their choice to take a program overload.

4.7 Courses of study
4.7.1 The following may be presented for the Ordinary degree:
(Note that the teaching period of each course is one semester)

(a) Economics courses

**Level I**
- 9101 Business Data Analysis I 3
- 9073 Economic History I* 3
- 2076 Macroeconomics I 3
- 4309 Microeconomics I 3
- 3730 Finance I 3
- 7263 Mathematics for Economists I 3
- 3565 The Australian Economy: Institutions and Policy I 3

**Level II**
- 5381 Australian Economic History II 4
- 1802 East Asian Economies II 4
- 3784 Economic Data Analysis II 4
- 5816 Economics of Finance II 4
- 2744 Employment Relations II 4
- 1420 Environmental Economics II 4
- 1040 International Trade and Investment Policy II 4
- 9893 Macroeconomics II 4
- 3071 Mathematical Economics II 4
- 8870 Microeconomics II 4
- 1715 Special Topics II* 4

**Level III**
- 4883 Applied Econometrics III 4
- 8367 Applied Microeconomics III* 4
- 5284 Business and Government III* 4
- 3195 Development Economics III 4
- 7739 Econometrics III 4
- 2100 Economic Theory III 4
- 2182 Economic Theory and the Environment III 4
- 9982 Economics of Finance III 4
- 2287 Economics of Law and Politics III* 4
- 9272 International Economic History III 4
- 9933 International Finance III 4
- 6695 International Trade III 4
- 5423 Labour Economics III* 4
- 4984 Money, Banking and Financial Markets III 4
- 7981 Public Finance III* 4
- 7595 Risk Theory III* 4
- 4609 Special Topics III 4
- 3511 Special Topics in Financial Economics III* 4

* Not available in 2001

(b) Commerce courses
Courses listed in the Specific Academic Program Rules of the degree of Bachelor of Commerce

(c) Arts courses
Courses listed in the Specific Academic Program Rules of the degree of Bachelor of Arts, (which include courses offered by other Faculties) not listed in (a) or (b) above and excluding 4425 Quantitative Methods Using Computers II

(d) Law courses
For students who have obtained a place in the Bachelor of Laws, courses to a maximum of 24 units, listed in the Specific Academic Program Rules of the degree of Bachelor of Laws (see note 4 of the notes (not forming part of the Specific Academic Program Rules)).

(e) Finance courses
Courses listed in the Specific Academic Program Rules of the degree of Bachelor of Finance.

4.7.2 A candidate may not present 6362 Commercial Law I(S) for the degree if passed after 3731 Contract or 5272 Law of Contract.

4.7.3 A candidate may not present 1282 Commercial Law II for the degree if passed after 3225 Associations.

4.7.4 Candidates who have completed courses for the degree under previous schedules may continue under the schedules then in force, with such modifications (if any) as shall be prescribed by the Dean.

4.7.5 A candidate may not count for the degree any course together with any other course which, in the opinion of the School, contains a substantial amount of the same material, and no course may be counted twice towards the degree. A table of unacceptable combinations of courses is available from the School of Economics Office.

4.7.6 Except with the permission of the School, a candidate may not enrol in non-Economics courses at Level II to the value of more than 12 units unless he or she has already passed or is concurrently enrolled in the compulsory Level II courses 9893 Macroeconomics II, 8870 Microeconomics II and 3784 Economic
Data Analysis II (or its equivalents). These non-Economics courses to the value of not more than 12 units shall not include courses in which the candidate has previously failed or from which the candidate has withdrawn.

4.7.7 Except with the permission of the School, a candidate may not enrol in non-Economics courses at Level III to the value or more than 8 units unless he or she has already passed or is concurrently enrolled in the compulsory Level II courses 9893 Macroeconomics II, 8870 Microeconomics II and 3784 Economics Data Analysis II (or its equivalents) and has already passed or is concurrently enrolled in Level III Economics courses to the value of 12 units. These non-Economics courses to the value of not more than 8 units shall not include courses in which the candidate has previously failed or from which the candidate has withdrawn.

5 The Honours degree

5.1 A candidate for the Honours degree shall attend lectures and pass examinations in accordance with the provisions of these Specific Academic Program Rules.

5.2 A candidate may, subject to the approval of the Dean of the School of Economics, proceed to the Honours degree in the course 7711 Honours Economics.

5.3 A candidate may, subject to the approval of the Dean of the Schools concerned, proceed to the Honours degree taught jointly by the School of Economics and another Department. Candidates must apply in writing for the proposed program of study to be approved in advance by the School.

5.4 (a) A candidate preparing for the Honours year taught by the School of Economics must complete the requirements for the Ordinary degree of B.Ec. or its equivalent including 2100 Economic Theory III or its equivalents (such as the previously offered courses 3658 Microeconomics III and 4466 Macroeconomics III) before proceeding to the Honours degree, and must obtain a high standard in courses presented for the Ordinary degree. Students who have not passed 3071 Mathematical Economics II (or 9786 Mathematics I or 3617 Mathematics IM), and either 7739 Econometrics III or 4883 Applied Econometrics III may be required to undertake preliminary work in those areas before proceeding to the Honours Year

(b) A candidate who has satisfied the requirements for admission to Honours as set out in previous schedules is also eligible to apply for admission to the Honours year as above.

5.5 The work of the Honours year is normally completed in one year of full-time study, after completion of the Ordinary degree or its equivalent. The School may permit a candidate to spread the work over two years, but not more, under such conditions as it may determine.

5.6 A candidate who is unable to complete the program for the Honours degree within the time allowed, or whose work is unsatisfactory at any stage of the program, or who withdraws from the program shall be reported to the School, which may permit re-enrolment for an Honours degree under such conditions (if any) as it may determine.

5.7 A graduate who has obtained the Honours Degree of Bachelor of Arts in Economics may not obtain the Honours degree of Bachelor of Economics.
Economics — B.Ec.

Syllabuses

**Level I**

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Name</th>
<th>Units</th>
<th>Semester(s)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>9101</td>
<td>Business Data Analysis I</td>
<td>3</td>
<td>1 or 2</td>
<td>2 lectures, 1 tutorial per week; 1 one hour computer tutorial per fortnight; restriction: 2394 Economic Statistics II, 8179 Economic Statistics I or 7322 Economic Statistics IA. 9101 Business Data Analysis I and 5543 Statistical Practice I cannot both be counted toward degree. This introductory course covers collecting and organising data, drawing conclusions and commenting intelligently on the statistical results obtained. Topics include descriptive statistics, tabulation, correlation and simple regression, index numbers, business forecasting and an introduction to the use of probability in formal statistical reasoning. Students are taught how to access a statistical database, how to use EXCEL to do the statistical calculations and how to present their work using WORD. assessment: determined in consultation with students</td>
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<th>Semester(s)</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>2076</td>
<td>Macroeconomics I</td>
<td>3</td>
<td>1 or 2</td>
<td>2 lectures, 1 tutorial per week; restriction: not available to students who have already passed 2076 Economics IB. This course provides an introduction to macroeconomic theory and policy in Australia. Explanations of how we measure the total output or income of the economy; the determination of the equilibrium level of GDP and the influence of money and banking on the economy form the basis for an assessment of Australian policy-making. The influence of fiscal, monetary and incomes policies on the macroeconomic policy objectives of economic growth, low inflation, low unemployment and a sustainable balance of payments position are considered. assessment: continuous assessment, including class tests, major assignment and final exam. Final exam carries majority weighting for assessment</td>
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<tr>
<th>Course Code</th>
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<tbody>
<tr>
<td>4309</td>
<td>Microeconomics I</td>
<td>3</td>
<td>1 or 2</td>
<td>Note: Students without SACE Stage 2 Mathematics intending to proceed to 9893 Microeconomics II and/or 8870 Microeconomics II and not planning to take 7263 Mathematics for Economists I should contact the Lecturer-in-charge concerning assumed mathematics background. 4309 Microeconomics I is a prerequisite or concurrent course.</td>
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<th>Semester(s)</th>
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<tr>
<td>3730</td>
<td>Finance I</td>
<td>3</td>
<td>1</td>
<td>See Bachelor of Finance for syllabus details</td>
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<tr>
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<th>Course Name</th>
<th>Units</th>
<th>Semester(s)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>7263</td>
<td>Mathematics for Economists I</td>
<td>3</td>
<td>1</td>
<td>5 hours lectures/tutorials/ workshops per week; prerequisite: 4309 Microeconomics I/Economics IA is a prerequisite or concurrent course. restriction: beginners course - except with the permission of Dean of School, may not be taken by students who have performed satisfactorily in SACE Stage 2 Mathematics (Mathematics IS or Mathematics I and Mathematics II) or equivalent. The course is intended for students without SACE Stage 2 Maths who wish to obtain a knowledge of mathematical techniques suitable for economic analysis. Any student who has passed SACE Stage 2 Mathematics in the last 10 years may not enrol in this course. Students are introduced to the mathematical tools required for the successful study of economics.</td>
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230
includes introductory algebra, calculus and matrix algebra with applications to economic problems.

**assessment:** tutorials, mid-semester test, final exam

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**3565 The Australian Economy: Institutions and Policy I**

3 units  
3 lectures, 1 tutorial a week  

**assumed knowledge:** 4309 Microeconomics I/Economics IA and 2076 Macroeconomics I/Economics IB (taken as concurrent courses) or Economics at Year 12 level

A study of the nature, role and function of some major institutions influencing the operation of the Australian economy, of various issues of policy which arise in relation to it (e.g., employment, structural change, foreign investment, finance and banking, industrial relations, etc.) and of policy formation and implementation. As part of this study we look at major areas of social policy, health, housing, education and environment and in particular the public role in the provision of such goods and services.

**assessment:** tutorial work, essays, final exam, determined in consultation with students

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**Level II**

**5381 Australian Economic History II**

4 units  
2 lectures, 1 tutorial a week  

**prerequisite:** 4309 Microeconomics I/Economics IA and 2076 Macroeconomics I/Economics IB (one may be taken concurrently)  

**restriction:** may not be counted with 1682 Economic History I/IIA, 5973 Economic History II/IIIA or 1682 Economic History A

The course covers the development of the Australian economy viewed in a comparative perspective. Emphasis is given to topics which provide relevant background to Australia's recent economic performance and current policy issues. These include structural changes, factor market performance, economic growth and fluctuations, governments and markets, regional disparities, international economic influences and economic wellbeing.

**assessment:** tutorial work, essay, exams

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**1802 East Asian Economies II**

4 units  
2 lectures, 1 tutorial per week  

**prerequisite:** 4309 Microeconomics I/Economics IA or 2076 Macroeconomics I/Economics IB or any full first year of courses in Asian Studies; or approval of lecturer in charge

**restriction:** may not be counted with 9476 East Asian Economies

The course is designed to introduce students to the nature and structure of the economies of East Asia. It will examine the mechanisms which shape their economic activity and the role of historical and cultural factors in the development of their economic institutions. The contribution of these institutions to economic growth will also be closely examined.

**assessment:** tutorial work, essay, exam, as determined at preliminary lecture

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**3784 Economic Data Analysis II**

4 units  
2 lectures, 1 tutorial per week, 1 workshop per fortnight  

**prerequisite:** 4309 Microeconomics I/Economics IA and 2076 Macroeconomics I/Economics IB (may be taken concurrently) and 9101 Business Data Analysis I, or 5543 Statistical Practice or equivalent  

**restriction:** cannot be counted with 4523 Applied Statistics II; 4107 Distribution Theory II; Inference II; and 1675 Linear Models II

**assumed knowledge:** Mathematics at least to level of 7263 Mathematics for Economists I

The course focuses on developing new econometric tools as the student faces various economic problems and takes on the task of learning about those tools from samples of economic data. The theoretical sections of this course are complemented by a series of applications and practical problems, including individual work by the students applying the techniques they learn to the analysis of their own sets of data. Conventional tutorials are complemented by practical sessions in the computer labs, using EXCEL.

**assessment:** determined in consultation with students

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**5816 Economics of Finance II**

4 units  
2 lectures, 1 tutorial per week  

See Bachelor of Finance for syllabus details
2744 Employment Relations II
4 units semester 1
2 lectures, 1 tutorial a week
restriction: may not be counted with 2744 Industrial Relations II or 5426 Industrial Relations II/III
The course can be conceptually divided into two parts: employment relations theory and Australian industrial relations practice. The first part will include the following topics: a review of the disparate theories of industrial relations; analysis of the employment relationship; the effort bargain and the ideology of work; conflict and its resolution; the role of the state; the functions of management and unions; direct bargaining and arbitration. The second has a policy emphasis covering the development of Australia's industrial and employment relations system; strike patterns; the nature and role of trade unions, employer associations and peak councils; State regulation; the industrial tribunals and the judiciary; the pattern of wage settlement and policy; national, industrial and workplace bargaining; recent radical changes of emphasis.
assessment: exam, assignments as determined at preliminary lecture

1420 Environmental Economics II
4 units semester 2
2 lectures, 1 tutorial per week
prerequisite: 4309 Microeconomics/Economics IA
restriction: 9029 Environment and Resource Economics III or 5029 Environmental Economics E.
The course is an introduction to Environmental Economics using much of the microeconomics included in 4309 Microeconomics I. It will look at a wide range of environmental issues and problems and apply basic microeconomic analysis to them. Issues such as pollution control, resource use management and provision of environmental public goods will be approached using microeconomic tools. In addition, global environmental issues will be looked at from the point of view of economic analysis. Both the potential and limitations of economics will be addressed. Australian examples and case studies will be used wherever possible.
assessment: project/s, essays, exams, determined in consultation with students

1040 International Trade and Investment Policy II
4 units semester 1
See Bachelor of Finance for syllabus details

9893 Macroeconomics II
4 units semester 1 or 2
2 lectures, 1 tutorial a week
prerequisite: 2076 Macroeconomics I/Economics IB; SACE Stage 2 Mathematics or 7263 Mathematics for Economists I
This course fully develops a classical model of a small open economy. The model, commonly known as the representative agent model, is used to examine macroeconomic policy relevant to any modern economy. Topics include the roles of labour versus capital, government taxation and spending, and international trade. Furthermore, the theory explicitly considers questions relating to economic development, capital accumulation, the current account, public and private debt, and exchange rates. The ultimate goal is to have a complete working model of an economy so that policy implications may be drawn
assessment: exam, other assessment as determined at preliminary lecture

3071 Mathematical Economics II
4 units semester 1
Note: Students intending to proceed to the Honours degree in Economics will be expected to have successfully completed this course.
2 lectures; 1 tutorial a week
prerequisite: 4309 Microeconomics I/Economics IA; 2076 Macroeconomics I/Economics IB (may be taken concurrently) and SACE Stage 2 Mathematics I or 7263 Mathematics for Economists I; or approval of the lecturer in charge
restriction: may not be counted with 7626 Mathematical Economics I; or 8620 Mathematical Economics II/III
This course concentrates on the basic mathematical methods that are required to understand current economics and to investigate economic models. Topics may include optimisation with and without constraints; linear models; matrix algebra and introductory game theory.
assessment: exams, other assessment determined in consultation with students

8870 Microeconomics II
4 units semester 1 or 2
2 lectures (some weeks, 3 lectures per week in Semester 2), 1 tutorial a week
prerequisite: 4309 Microeconomics I/Economics IA and SACE Stage 2 Mathematics I or 7263 Mathematics for Economists I
This course builds on the microeconomic principles studied in the Level I Economics courses and provides an analysis of the way in which the market system functions as a mechanism for coordinating the independent choices of individual economic agents. It develops a basis for evaluating the efficiency and equity implications of competition and other market structures, and a perspective on the appropriate role of government. Included are the study of consumer choice, production and cost, market structure, and market failure.

**assessed:** exam, other assessment as determined at preliminary lecture

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**Level III**

**4883 Applied Econometrics III**

4 units  semester 1

**Note:** Students intending to proceed to Honours degree or Master of Economics will be expected to have successfully completed this course or 7739 Econometrics III

2 lectures, 1 tutorial a week

**prerequisite:** 3784 Economic Data Analysis II or equivalent

The course aims to develop an understanding of standard econometric methods, a capacity to formulate research problems so that they are amenable to quantification and a capacity to assess empirical research in economics critically. Tutorials will involve applications of econometric methods which use packaged programs.

**assessed:** final exam, tutorial participation, performance, project using techniques developed

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**3195 Development Economics III**

4 units  semester 1

2 lectures, 1 tutorial a week

**prerequisite:** 9893 Macroeconomics II, 8870 Microeconomics II (one may be taken concurrently)

**restriction:** may not be counted with 3751 Economic Development IIIA or 8167 Economic Development III/IIIH

The course is concerned with the economics of less-developed countries. Topics to be discussed include: the meaning and measurement of development, demographic change, industrialisation, trade, foreign aid and investment, poverty and income distribution, agricultural development and relevant growth theories.

**assessed:** exam, work completed during course, as determined at the preliminary lecture

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**7739 Econometrics III**

4 units  semester 2

**Note:** students intending to proceed to the Honours degree of Economics or to the degree of Master of Economics will be expected to have successfully completed either this course or 4883 Applied Econometrics III

2 lectures, 1 tutorial a week

**prerequisite:** 4883 Applied Econometrics III or a credit standard in 3784 Economic Data Analysis or equivalent, 8870 Microeconomics II or 9893 Macroeconomics II and 9876 Mathematics I or 3617 Mathematics IM or 8620 Mathematical Economics II

**restriction:** 8771 Econometric Theory III

The objective of this course is to integrate economic models and econometric methods. Particular attention is paid to the relationship between economic and statistical models in selecting the appropriate econometric tools, and on the interpretation of the resulting statistics. Topics covered include single equation estimation under the statisticians ideal conditions, and econometric methods to deal with the violation of these conditions, and estimation of simultaneous equation models.

**assessed:** determined in consultation with students; usually based on project and final exam

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**2100 Economic Theory III**

4 units  semester 2

**Note:** students intending to proceed to the Honours degree of Economics or to the degree of Master of Economics will be expected to have obtained a credit or better in this course. Students who have previously completed either 4466 Macroeconomics III or 3658 Microeconomics III and wish to undertake the additional theory component should consult the Economics Student Adviser.

2 lectures, 1 tutorial a week

**prerequisite:** 8870 Microeconomics II and 9893 Macroeconomics II

**restriction:** 4466 Macroeconomics III, 3658 Microeconomics III

This subject deals with additions to, and extensions of aspects of economic theory covered in 9893 Macroeconomics II and 8870 Microeconomics II. Topics covered include general equilibrium and welfare economies, extensions of consumption and production theory, open economy models, the role of wealth, expectations, government budget and quantity constraints, game theory.

**assessed:** determined in consultation with students; usually based on project and final exam
### 2182 Economic Theory and the Environment III
- **Units:** 4
- **Semester:** 2
- **Lectures:** 2
- **Tutorials:** 1
- **Per Week:** per week
- **Prerequisite:** 8870 Microeconomics II, 3784 Economic Data Analysis II
- **Restriction:** 9029 Environment and Resource Economics III

This course focuses on the links between the environment and the economy. It deals with the fundamental question of how the market system shapes incentives in a way that leads to environmental degradation and the manner in which economic incentives can be used to control environmental damage. Issues to be dealt with include: environmental externalities and common property goods, methods for measuring environmental benefits and costs, global externalities, international environmental agreements, compliance and monitoring problems.

**Assessment:** essays, exams to be determined in consultation with students

### 9982 Economics of Finance III
- **Units:** 4
- **Semester:** 2

See Bachelor of Finance for syllabus details

### 6695 International Trade III
- **Units:** 4
- **Semester:** 2
- **Lectures:** 2
- **Tutorials:** 1
- **Per Week:** per week
- **Prerequisite:** 8870 Microeconomics II
- **Restriction:** 2261 International Economics III

This course deals with the theory and practice of international trade and trade-related policies. It focuses on analysing the gains from trade, the changing patterns of trade, the income distributional consequences of liberalising foreign trade, the relationship between trade, investment, and economic growth, and the causes and consequences of trade policies.

**Assessment:** determined in consultation with students

### 9272 International Economic History III
- **Units:** 4
- **Semester:** 1
- **Lectures:** 2
- **Tutorials:** 1
- **Per Week:** per week
- **Prerequisite:** 8870 Microeconomics II
- **Corequisite:** 9893 Macroeconomics II

The course surveys the evolution of the international economy in the 20th century. Attention is given to the development of world trade and trade policies, the international monetary system, international capital movements, the interwar depression, the boom postwar and the first and second periods of 'globalisation'. An examination is made of selected topics from the historical experience of the major industrial economies, especially the United States, which are relevant to an understanding of their current economic problems.

**Assessment:** tutorial work, essay, exams

### 9935 International Finance III
- **Units:** 4
- **Semester:** 1

See Bachelor of Finance for syllabus details

### 4609 Special Topics III
- **Units:** 4
- **Semester:** 2
- **Lectures:** 2
- **Tutorials:** 1
- **Per Week:** per week
- **Prerequisite:** 9893 Macroeconomics II, 8870 Microeconomics II, permission of Dean of School

This course will cover selected topics which are not currently covered elsewhere in the Economics curriculum at level III. The selection of topics will depend on availability of staff, including visitors, and on their teaching and research interests.

**Assessment:** tutorial papers, essays, exams, determined in consultation with students

### 3511 Special Topics in Financial Economics III
- **Units:** 4
- **Semester:** 1

Not offered in 2001

See Bachelor of Finance for syllabus details
Honours

7711 Honours Economics

24 units  full year

Contact hours to be advised

The Honours year is currently conducted as a joint program by the Economics Schools of Adelaide and Flinders universities. Part of the program is taught at Flinders University.

Detailed arrangements for classes will depend on enrolments and students are advised to communicate with the Honours Coordinator before February. Students will be admitted to honours classes only with the approval of the Dean or his/her nominee.

Arrangements are possible for joint honours combining study in Economics with study in another Department/Centre. Details are available from the Dean of the School of Economics or the Honours Coordinator.

**prerequisite:** Honours candidates complete the requirements for the Ordinary degree of B.Ec. or its equivalent, including 2100 Economic Theory III or equivalents, and either 7739 Econometrics III or 4883 Applied Econometrics III, or equivalents before proceeding to the Honours degree, and must obtain a high standard in courses presented for the Ordinary degree. Usually this would include a credit in Economic Theory III.

**assumed knowledge:** students may proceed without 3071 Mathematical Economics II (or 9786 Mathematics I or 3617 Mathematics IM), only with the approval of the Dean of School or his/her nominee.

**requirements:**

(a) final honours students are required to undertake a research project and present a thesis of approximately 10,000 words. An absolute upper limit of 12,000 words will apply and theses in excess of this will be penalised and/or returned to be reduced to this length. The thesis will form part of the final honours examination. The thesis counts for either 37.5% or 25% of the year’s assessment, depending on whether three or four optional courses, respectively, are selected under clause (c) below. Students are expected to commence work on the thesis no later than the first week of February, including deciding on the topic, so that a supervisor can be allocated to each student from among the staff available at the two universities.

The thesis is to be completed and presented, typed and bound, towards the end of second semester: the exact date is notified in February. A penalty of twenty percentage for the first week or part thereof plus ten percentage for each subsequent week or part thereof is applied to the grade of theses submitted after the notified due date in November unless prior permission for late submission is obtained.

Four copies, typed double space on A4 paper must be presented. Students will be expected to present themselves for an oral examination on their thesis at a date towards the end of the University’s November examination period.

(b) each student is required to undertake the courses Microeconomics and Macroeconomics, classes which are given in first semester

(c) each student will select three or four options from a range of courses which, subject to the availability of staff and sufficient enrolments, may include the following*:

- Econometrics
- Economic Development
- Environmental Economics
- Industrial Organisation
- International Finance
- International Trade
- Labour Economics
- Long Run Growth
- Mathematical Economics
- Monetary Economics
- Public Economics
- Quantitative Policy Analysis
- Regulation of the Australian Labour Market 1800-1996
- Special Topics

* classes in these courses take place in semester 1 or 2

(d) the examination will consist of one paper in each of Microeconomics and Macroeconomics (examined in June), papers in the optional courses (held in either semester 1 or 2 in the University’s Examination period), and the thesis.
Bachelor of Economics (International Agricultural Business)

The above award has been developed within the framework of the General Academic Program Rules printed at the beginning of this volume of the Handbook. As all students must comply with both the General and Specific Academic Program rules, they are advised to refer to them to gain an understanding of their rights and responsibilities regarding program matters.

Specific Academic Program Rules

1 General
There shall be an Ordinary and an Honours degree of Bachelor of Economics (International Agricultural Business). A candidate may obtain either degree or both.

2 Duration of program
2.1 The program of study for the Ordinary degree of Bachelor of Economics (International Agricultural Business) shall extend over three years of full-time study or its part-time equivalent. A candidate for the Ordinary degree shall attend lectures and pass examinations in accordance with the provisions of these Specific Academic Program Rules.

3 Assessment and examinations
3.1 (a) A candidate shall not be eligible to attend for examination unless the prescribed work has been completed to the satisfaction of the teaching staff concerned.
(b) For the purposes of these Specific Academic Program Rules a candidate who has failed to comply with the provisions of 3.1(a) above shall be deemed to have failed the examination.

3.2 In determining a candidate’s final result in a course (or part of a course) the examiners may take into account oral, written, practical and examination work, provided that the candidate has been given adequate notice at the commencement of the teaching of the course of the way in which work will be taken into account and of its relative importance in the final result.

3.3 There shall be four classifications of pass in the final assessment of any course for the Ordinary degree, as follows: Pass with High Distinction, Pass with Distinction, Pass with Credit, Pass. There shall also be a classification of Conceded Pass. A Conceded Pass may not be used to satisfy prerequisite requirements. Courses passed at the Conceded Pass level to a maximum total of eight units may be presented for the Ordinary Degree. A pass of a certain standard may be prescribed in the syllabuses as a prerequisite for admission to further studies in other courses. A candidate may present, for the ordinary Degree of Bachelor of Economics (International Agricultural Business), a limited number of courses for which a Conceded Pass has been obtained, as specified in 4.5 below.

3.4 A candidate who fails a course or who obtains a lower division pass and who wishes to repeat that course shall, unless exempted wholly or partially therefrom by the Dean of the School of Economics, again complete the required work in that course to the satisfaction of the teaching staff concerned.

3.5 A candidate who has twice failed the examination in any course for the Ordinary degree may not enrol for that course again or for any other course which in the opinion of the School contains a substantial amount of the same material, except by permission of the School and then only under such conditions as School may prescribe.

4 Qualification requirements
4.1 To qualify for the Ordinary degree of Bachelor of Economics (International Agricultural Business), candidates must pass courses with a combined total of not less than 70 units drawn from 4.6 including:

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>3926</td>
<td>Accounting for Decision Makers I</td>
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</tr>
<tr>
<td>9101</td>
<td>Business Data Analysis I</td>
<td>3</td>
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<tr>
<td>6362</td>
<td>Commercial Law I (S)</td>
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<tr>
<td>2076</td>
<td>Macroeconomics I</td>
<td>3</td>
</tr>
<tr>
<td>4309</td>
<td>Microeconomics I</td>
<td>3</td>
</tr>
<tr>
<td>4932</td>
<td>Principles of Food and Wine Marketing I</td>
<td>3</td>
</tr>
</tbody>
</table>
Note: candidates who have not completed SACE Stage 2 Mathematics I or equivalent, must complete 7263 Mathematics for Economists I before proceeding to Level II Economics courses.

(b) the following Level II courses:
   3784 Economic Data Analysis II
   1805 Issues in Australian Agribusiness II
   8870 Microeconomics II

(c) the following Level III course:
   8591 International Business Environment III

and either
(i) an additional 8 units of Level III Economics courses from those listed in 4.6.1(a) with at least another 12 units of Level III courses from those listed in 4.6 or
(ii) an additional 12 units of Level III Economics from those listed in 4.6.1(a) with the remaining courses at Level II or higher included in 4.6.

4.2 To qualify for the degree of Bachelor of Economics (International Agricultural Business) a student who transferred into the Bachelor of Economics (International Agricultural Business) from another university and has been granted status for studies completed prior to transfer must satisfy all conditions in 4.1 above and must pass at least 24 units of Level II or III courses taught at Adelaide University. These must include 8 units of Level III Economics courses and 8591 International Business Environment III. However, this requirement may be waived in special circumstances approved by the School.

4.3 A candidate for the degree of Bachelor of Economics (International Agricultural Business) at Adelaide University, who wishes to undertake courses elsewhere towards their degree, must satisfy all conditions in 4.1 above and present courses taught at Adelaide University having a minimum value of 48 units, including at least 12 units of Level II or III Economics courses, and also arrange for the proposed scheme of study elsewhere to be approved in advance by the School. However, this requirement may be waived in special circumstances approved by the School.

4.4 In determining a candidate’s eligibility for the award of the degree, the School of Economics may disallow any course passed more than 10 years previously.

4.5 A candidate may present for the Ordinary degree of Bachelor of Economics (International Agricultural Business) conceded passes in Level II and Level III courses provided that the units value for any individual course for which a conceded pass is presented does not exceed 3 units, and the aggregate value does not exceed 8 units. Conceded passes are not awarded in those courses listed in 4.6 (a) of the Ordinary Degree of Bachelor of Economics (International Agricultural Business)

Notes
(not forming part of the Specific Academic Program Rules)

1 Not all Level II and Level III courses will be offered every year. Courses will be offered according to numbers of students enrolled and staff availability. Students can increase their flexibility by taking 8870 Microeconomics II in their second semester concurrently with 2076 Macroeconomics I so that some Level III courses will be available in their third semester and almost all by their fourth semester.

2 Candidates should note that an enrolment in courses exceeding a total units value of 24 units per year will result in a program overload. Candidates should be aware of the full implications of their choice to take a program overload.

4.6 Courses of study

4.6.1 The following may be presented for the Ordinary degree:

(a) Economics courses

<table>
<thead>
<tr>
<th>Level</th>
<th>Course</th>
<th>Units</th>
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<td>7263</td>
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<tr>
<td></td>
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<td>3</td>
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Level II

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<td>4</td>
</tr>
<tr>
<td>1715</td>
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</tr>
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</table>

4.5 A candidate may present for the Ordinary degree of Bachelor of Economics (International Agricultural Business) conceded passes in Level II and Level III courses provided that the units value for any individual course for which a conceded pass is presented does not exceed 3 units, and the aggregate value does not exceed 8 units. Conceded passes are not awarded in those courses listed in 4.6 (a) of the Ordinary Degree of Bachelor of Economics (International Agricultural Business)

Notes
(not forming part of the Specific Academic Program Rules)

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4.6 Courses of study

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Level II

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<td>Level III</td>
<td>Courses</td>
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<tr>
<td>4883 Applied Econometrics III</td>
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<tr>
<td>8367 Applied Microeconomics III*</td>
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<tr>
<td>5284 Business and Government III*</td>
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<td>3195 Development Economics III</td>
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<td>7739 Econometrics III</td>
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<td>2100 Economic Theory III</td>
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<td>2182 Economic Theory and the Environment III</td>
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<tr>
<td>9982 Economics of Finance III</td>
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<tr>
<td>2287 Economics of Law and Politics III*</td>
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<tr>
<td>9272 International Economic History III</td>
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<td>9935 International Finance III</td>
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<td>6695 International Trade III</td>
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<td>5423 Labour Economics III*</td>
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<td>7981 Public Finance III*</td>
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<td>7595 Risk Theory III*</td>
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<tr>
<td>4609 Special Topics III</td>
<td></td>
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<tr>
<td>3511 Special Topics in Financial Economics III*</td>
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</tr>
<tr>
<td>* Not available in 2001</td>
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<thead>
<tr>
<th>Level I</th>
<th>Courses</th>
<th>Credits</th>
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<tbody>
<tr>
<td>3288 Consumers, Food and Health</td>
<td></td>
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<tr>
<td>1550 Environment and Society</td>
<td></td>
<td>3</td>
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<tr>
<td>4932 Principles of Food and Wine Marketing I</td>
<td></td>
<td>3</td>
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<table>
<thead>
<tr>
<th>Level II</th>
<th>Courses</th>
<th>Credits</th>
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</thead>
<tbody>
<tr>
<td>8229 Applied Management Science II</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>2782 Applied Marketing Research II</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>3226 International Marketing of Wine and Agricultural Products II</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>1805 Issues in Australian Agribusiness II</td>
<td></td>
<td>4</td>
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</table>

<table>
<thead>
<tr>
<th>Level III</th>
<th>Courses</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>7155 Advertising and Promotion III</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>4533 Food Marketing III</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>8591 International Agri-business Environment III</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>2060 Internet Marketing and E-Commerce</td>
<td></td>
<td>4</td>
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<tr>
<td>8564 Retail Selling and Practice III</td>
<td></td>
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<table>
<thead>
<tr>
<th>(d) Commerce courses</th>
<th>Courses listed in the Specific Academic Program Rules of the degree of Bachelor of Commerce</th>
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</thead>
<tbody>
<tr>
<td>(e) Finance courses</td>
<td>Courses listed in the Specific Academic Program Rules of the degree of Bachelor of Finance</td>
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</tbody>
</table>

4.6.2 Candidates who have completed courses for the degree under previous schedules may continue under the schedules then in force, with such modifications (if any) as shall be prescribed by the Dean of School.

4.6.3 A candidate may not count for the degree any course together with any other course which, in the opinion of the School, contains a substantial amount of the same material, and no course may be counted twice towards the degree. A table of unacceptable combinations of courses is available from the School of Economics Office.

<table>
<thead>
<tr>
<th>(b) Agricultural and Natural Resource Sciences courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level I</td>
</tr>
<tr>
<td>3288 Consumers, Food and Health</td>
</tr>
<tr>
<td>1550 Environment and Society</td>
</tr>
<tr>
<td>4932 Principles of Food and Wine Marketing I</td>
</tr>
</tbody>
</table>

| Level II                                              |
| 8229 Applied Management Science II                    | 4       |
| 2782 Applied Marketing Research II                    | 4       |
| 3226 International Marketing of Wine and Agricultural Products II |       | 4       |
| 1805 Issues in Australian Agribusiness II             | 4       |

| Level III                                             |
| 7155 Advertising and Promotion III                    | 4       |
| 4533 Food Marketing III                               | 4       |
| 8591 International Agri-business Environment III      | 4       |
| 2060 Internet Marketing and E-Commerce                | 4       |
| 8564 Retail Selling and Practice III                  | 4       |

<table>
<thead>
<tr>
<th>(c) Arts courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courses listed in the Specific Academic Program Rules of the degree of Bachelor of Arts, (which include courses offered by other Faculties) not listed in (a) or (b) above and excluding 4425 Quantitative Methods Using Computers II</td>
</tr>
</tbody>
</table>
# Syllabuses

### Level I

<table>
<thead>
<tr>
<th>Code</th>
<th>Course Title</th>
<th>Units</th>
<th>Semester(s)</th>
<th>Notes</th>
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<tbody>
<tr>
<td>3730</td>
<td>Finance I</td>
<td>3</td>
<td>semester 1</td>
<td>See Bachelor of Finance for syllabus details</td>
</tr>
<tr>
<td>9101</td>
<td>Business Data Analysis I</td>
<td>3</td>
<td>semester 1 or 2</td>
<td></td>
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<tr>
<td>4309</td>
<td>Microeconomics I</td>
<td>3</td>
<td>semester 1 or 2</td>
<td></td>
</tr>
<tr>
<td>2076</td>
<td>Macroeconomics I</td>
<td>3</td>
<td>semester 1 or 2</td>
<td></td>
</tr>
<tr>
<td>7263</td>
<td>Mathematics for Economists I</td>
<td>3</td>
<td>semester 1</td>
<td></td>
</tr>
<tr>
<td>3565</td>
<td>The Australian Economy: Institutions and Policy I</td>
<td>3</td>
<td>semester 2</td>
<td>See Bachelor of Economics for syllabus details</td>
</tr>
<tr>
<td>3288</td>
<td>Consumers, Food and Health</td>
<td>3</td>
<td>semester 2</td>
<td>See Bachelor of Food Technology and Management in the Faculty of Agricultural and Natural Resource Sciences for syllabus details</td>
</tr>
<tr>
<td>1550</td>
<td>Environment and Society</td>
<td>3</td>
<td>semester 1</td>
<td>See Bachelor of Environmental Science in the Faculty of Agricultural and Natural Resource Sciences for syllabus details</td>
</tr>
<tr>
<td>4932</td>
<td>Principles of Food and Wine Marketing I</td>
<td>3</td>
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<td>See Bachelor of Wine Marketing in the Faculty of Agricultural and Natural Resource Sciences for syllabus details</td>
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### Level II

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<th>Code</th>
<th>Course Title</th>
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<th>Semester(s)</th>
<th>Notes</th>
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<tr>
<td>8229</td>
<td>Applied Management Science II</td>
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<tr>
<td>2782</td>
<td>Applied Marketing Research II</td>
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<td>semester 2</td>
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<td>3226</td>
<td>International Marketing of Wine and Agricultural Products II</td>
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<td>See Bachelor of Wine Marketing in the Faculty of Agricultural and Natural Resource Sciences for syllabus details</td>
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<td>1805</td>
<td>Issues in Australian Agribusiness II</td>
<td>4</td>
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<td>5381</td>
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<td>2744</td>
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<td>3071</td>
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<tr>
<td>5816</td>
<td>Economics of Finance II</td>
<td>4</td>
<td>semester 2</td>
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<td>1040</td>
<td>International Trade and Investment Policy II</td>
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<td>Course Name</td>
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<td>Semester</td>
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<td>7981</td>
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<td>Special Topics in Financial Economics III</td>
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<td>4883</td>
<td>Applied Econometrics III</td>
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<td>3195</td>
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<td>7739</td>
<td>Econometrics III</td>
<td>4</td>
<td>2</td>
<td></td>
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<td>2</td>
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<tr>
<td>2182</td>
<td>Economic Theory and the Environment III</td>
<td>4</td>
<td>2</td>
<td></td>
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<tr>
<td>9272</td>
<td>International Economic History III</td>
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<td>6695</td>
<td>International Trade III</td>
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<td>4609</td>
<td>Special Topics III</td>
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<td>7155</td>
<td>Advertising and Promotion III</td>
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<td>International Agri-business Environment III</td>
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<td>8591</td>
<td>Internet Marketing and E-Commerce</td>
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<td>Retail Selling and Practice III</td>
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<td>4533</td>
<td>Food Marketing III</td>
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</tbody>
</table>

See Bachelor of Food Technology and Management in the Faculty of Agricultural and Natural Resource Sciences for syllabus details.

See Bachelor of Wine Marketing in the Faculty of Agricultural and Natural Resource Sciences for syllabus details.
Bachelor of Finance

The above award has been developed within the framework of the General Academic Program Rules printed at the beginning of this volume of the Handbook. As all students must comply with both the General and Specific Academic Program rules, they are advised to refer to them to gain an understanding of their rights and responsibilities regarding program matters.

Specific Academic Program Rules

note: Syllabuses of most courses for the degree of Bachelor of Finance are published after the Specific Academic Program Rules of the Bachelor of Economics, Bachelor of Commerce and Bachelor of Science (Mathematical and Computer Sciences) degrees. For syllabuses of courses taught for other degrees and diplomas see the table of courses at the end of the volume. SACE Stage 2 Mathematics 1 (or its equivalent) is a prerequisite for entry into the Bachelor of Finance degree.

1 General
There shall be an Ordinary and an Honours degree of Bachelor of Finance. A candidate may obtain either degree or both.

2 Duration of Program
The program of study for the Ordinary degree of Bachelor of Finance shall extend over three years of full-time study or its part-time equivalent. A candidate for the Ordinary degree shall attend lectures and pass examinations in accordance with the Specific Academic Program Rules.

3 Assessment and examinations
3.1 A candidate shall not be eligible to attend for examination unless the prescribed work has been completed to the satisfaction of the teaching staff concerned. A candidate who is not eligible to attend for examination shall be deemed to have failed the examination.

3.2 In determining a candidate’s final result in a course (or part of a course) the examiners may take into account oral, written, practical and examination work, provided that the candidate has been given adequate notice at the commencement of the teaching of the course of the way in which work will be taken into account and of its relative importance in the final result.

3.3 There shall be four classifications of pass in each course for the Ordinary degree, as follows: Pass with High Distinction, Pass with Distinction, Pass with Credit, Pass. If the Pass classification be in two divisions, a pass in the higher division may be prescribed in the syllabuses as a prerequisite for admission to further studies in that course or to other courses. There shall also be a classification of Conceded Pass.

3.4 A candidate may present, for the Ordinary degree of Bachelor of Finance, a limited number of courses for which a Conceded Pass has been obtained, as specified in 4.6.

3.5 A candidate who fails a course or who obtains a lower division pass and who desires to take that course again shall, unless exempted wholly or partially therefrom by the Dean of the School or Head of the Department concerned, again complete the required work in that course to the satisfaction of the teaching staff concerned.

3.6 A candidate who has twice failed the examination in any course for the Ordinary degree may not enrol for that course again or for any other course which in the opinion of the Board of Studies contains a substantial amount of the same material, except by permission of the Board of Studies and then only under such conditions as the Board of Studies may prescribe.

4 Qualification requirements
4.1 To qualify for the Ordinary degree of Bachelor of Finance, candidates must pass courses with a combined total of not less than 72 units drawn from 4.7 including:

- 2076 Macroeconomics I
- 4309 Microeconomics I
- 3730 Finance I
- 5943 Statistical Practice I or 9101 Business Data Analysis I
- 9786 Mathematics I or
- 3617 Mathematics IM

- not more than 24 units at Level I, including:
(b) at least 24 units at Level II, including:

- 8870 Microeconomics II
- 4190 Business Finance II
- 5816 Economics of Finance II
- 3784 Economic Data Analysis II
- 4107 Introduction to Mathematical Statistics II and
- 4523 Statistical Practice II

and at least another 4 units of Level II Finance courses from 4.7.1(a) below.

c) at least 12 units of Level III Finance courses from 4.7.1(a) below plus either

(i) an additional 12 units at Level III from 4.7.1 below

or

(ii) an additional 4 units of Level III Finance courses from 4.7.1(a) below and an additional 8 units at Level II or III from 4.7.1 below.

4.2 To qualify for the degree of Bachelor of Finance a student who transferred into the Bachelor of Finance from another university and has been granted status for studies completed prior to transfer must satisfy all conditions in 4.1 above and must pass at least 24 units of Level II or III courses taught at Adelaide University. These must include 12 units of Level III Finance courses. However, this requirement may be waived in special circumstances approved by the Board of Studies.

4.3 A candidate for the degree of Bachelor of Finance at Adelaide University, who wishes to undertake courses elsewhere towards their degree, must satisfy all conditions in 4.1 above and present courses taught at Adelaide University having a minimum value of 48 units, including at least 12 units of Level II or III Finance courses, and also arrange for the proposed scheme of study elsewhere to be approved in advance by the Board of Studies. However, this requirement may be waived in special circumstances approved by the Board of Studies.

4.4 (a) Graduates of Adelaide University (except those specified in 4.4(b)) or of other institutions, who wish to proceed to the degree of Bachelor of Finance and to count towards that degree courses which they have already presented for another qualification may be permitted to do so subject to the following conditions:

(i) they may present for the degree such courses to a maximum aggregate value of 24 units. No such course(s) may be presented in lieu of 8 units Level II Finance courses and 12 units Level III Finance courses

(ii) they shall present at least 16 units for courses at Level III, which have not been presented to any other degree and

(iii) they shall present a range of courses which fulfil the requirements of 4.7.1.

(b) Graduates of Adelaide University who wish to proceed to the degree of Bachelor of Finance and to count towards that degree courses which they have already presented for the Bachelor of Commerce, Bachelor of Economics, Bachelor of Science (Mathematical and Computer Sciences), Bachelor of Computer Science, Bachelor of Engineering (Chemical), Bachelor of Engineering (Civil), Bachelor of Engineering (Civil & Environmental), Bachelor of Engineering (Computer Systems), Bachelor of Engineering (Electrical & Electronic), Bachelor of Engineering (Mechanical) or Bachelor Engineering (Mechanical) degree may be permitted to do so subject to the following conditions:

(i) they may present for the degree such courses to a maximum aggregate value of 48 units;

(ii) they shall present at least 24 units which have not been presented to any other degree comprising at least 12 units of Level III Finance courses from 4.7.1(a) below plus:

either

an additional 12 units at Level III from 4.7.1 below

or

an additional 4 units of Level III Finance courses from 4.7.1(a) below and an additional 8 units at Level II or III from 4.7.1 below

and

(iii) they shall present the courses specified in 4.7(a) and (b) above

(iv) they hold only one of the degrees listed in 4.4 (b) above.

Economics — B.Fin.
4.5 In determining a candidate’s eligibility for the award of the degree, the Schools of Economics, Commerce and Mathematical and Computer Sciences may disallow any course passed more than 10 years previously.

4.6 A candidate may present for the Ordinary degree of Bachelor of Finance conceded passes in Level II and Level III courses provided that the units value for any individual course for which a conceded pass is presented does not exceed 3 units, and the aggregate value does not exceed 6 units. Conceded passes are not awarded for those courses in 4.7.1(a) and (b) of the Ordinary degree of Bachelor of Finance.

notes
(not forming part of the Specific Academic Program Rules)

1 Students are advised that a knowledge of mathematics is helpful for finance, commerce and economics courses and is essential for some courses.

2 Studies in Law within the degree of Bachelor of Finance

(1) Candidates who have gained a reserved place in Law studies on the basis of their SACE or equivalent results must, at the first attempt, successfully complete courses to the value of 24 units of the B.Fin. before being eligible to take up their place in Law studies.

(2) Candidates who have successfully completed courses to the value of 24 units of the B.Fin. degree may apply for admission to Law Studies. Applications for admission to Law must be made through SATAC by the closing date of the year during which the 24 units are completed. Except with the permission of the Dean of the School of Law or a nominee, 9402 Legal Skills I must be undertaken concurrently with the Law course 5272 Law of Contract. These two courses are prerequisites for each of the third year Law courses listed. Students will remain candidates for the degree of B.Fin. and may present for the degree of B.Fin. the Law courses listed in the Specific Academic Program Rules of the degree of Bachelor of Laws. Students must complete all the requirements for the B.Fin. before they can obtain their LL.B. degree.

(3) See also the Specific Academic Program Rules of the LL.B. degree and Introductory Notes to the LL.B. Syllabuses.

(4) Candidates who wish to present for the B.Fin. degree Law courses passed prior to 1987 should apply in writing to have their position determined. Such candidates will not be disadvantaged by the transition. However, in accordance with the Specific Academic Program Rules of the degree of Bachelor of Laws, students who have passed 6256 Elements of Law and 2944 Constitutional Law I shall be deemed to have passed 6019 Law and Legal Process.

3 Students from other Faculties/Schools will be considered for eligibility for the Bachelor of Finance degree in accordance with the Regulations and Specific Academic Program Rules of the Bachelor of Finance degree which are applicable in the year in which the student first enrols in a course offered by the Schools of Economics or Commerce. The intent of this provision is to enable students from other Schools to comply with the compulsory requirements of the Bachelor of Finance programs (which are available to them through the Specific Academic Program Rules of their own degrees) and which are detailed in the Specific Academic Program Rules of the Bachelor of Finance degree.

4.7 Courses of study

4.7.1 The following courses may be presented for the Ordinary degree:

<table>
<thead>
<tr>
<th>(a) Finance courses</th>
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<tbody>
<tr>
<td>Level I</td>
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<tr>
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<tr>
<td>2076 Macroeconomics I 3</td>
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<tr>
<td>4309 Microeconomics I 3</td>
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<td>3730 Finance I 3</td>
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<tr>
<td>9786 Mathematics I 6</td>
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<td>3617 Mathematics IM 6</td>
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<td>5543 Statistical Practice I 3</td>
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<tr>
<td>5816 Economics of Finance II 4</td>
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<tr>
<td>5509 Financial Computing II 4</td>
</tr>
<tr>
<td>1040 International Trade and Investment Policy II 4</td>
</tr>
<tr>
<td>3926 Investment Analysis and Valuation II 4</td>
</tr>
<tr>
<td>9893 Macroeconomics II 4</td>
</tr>
<tr>
<td>Level III</td>
</tr>
<tr>
<td>5177 Corporate Finance Theory III 4</td>
</tr>
<tr>
<td>7739 Econometrics III 4</td>
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<td>2100 Economic Theory III 4</td>
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<td>7305 Financial Modelling Techniques III 4</td>
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<td>6695 International Trade III 4</td>
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<td>1411 Life Contingencies III 2</td>
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<tr>
<td>9482 Mathematics of Finance III 2</td>
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<tr>
<td>4934 Money, Banking and Financial Markets III 4</td>
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<tr>
<td>7879 Options, Futures and Risk Management III 4</td>
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<td>5332 Portfolio Theory and Management III 4</td>
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<td>7981 Public Finance III* 4</td>
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<td>7595 Risk Theory III* 4</td>
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</table>

Economics — B.Fin.
3511 Special Topics in Financial Economics III* 4
5675 Time Series III 2
* Not available in 2001

(b) Other Economics and Commerce courses
All other courses listed in the Specific Academic Program Rules for the degrees of Bachelor of Economics and Bachelor of Commerce.

(c) Other Mathematical and Computer Sciences courses
All other courses listed in the Specific Academic Program Rules for the degrees of Bachelor of Science in the School of Mathematical and Computer Sciences and Bachelor of Computer Science.

(d) Arts courses
Courses listed in the Specific Academic Program Rules of the degree of Bachelor of Arts (which include courses offered by other Faculties), excluding 4425 Quantitative Methods Using Computers IH and 9894 Computer Literacy I.

(e) Law courses
For students who have obtained a place in the Bachelor of Laws, courses, to a maximum of 24 units, listed in the Specific Academic Program Rules of the degree of Bachelor of Laws (see note 2 of the notes (not forming part of the Specific Academic Program Rules) above).

4.7.2 Candidates who have completed courses for the degree under previous schedules may continue under the schedules then in force, with such modifications (if any) as shall be prescribed by the Board of Studies.

4.7.3 A candidate may not count for the degree any course together with any other course which, in the opinion of the Board of Studies, contains a substantial amount of the same material and no course may be counted twice towards the degree. A table of unacceptable combinations of courses is available from the Schools of Economics, Commerce or Mathematical and Computer Sciences.

4.7.4 Except with the permission of the Board of Studies, a candidate may not enrol in non-Finance courses at Level II to the value of more than 8 units unless he or she has already passed or is concurrently enrolled in the compulsory Level II courses 8870 Microeconomics II, either 4190 Business Finance II or 5816 Economics of Finance II, 3784 Economics Data Analysis II (or equivalent) and one Level II Finance course. These non-Finance courses to the value of not more than 8 units shall not include courses in which the candidate has previously failed or from which they candidate has withdrawn.

4.7.5 Except with the permission of the Board of Studies, a candidate may not enrol in non-Finance courses at Level III to the value of more than 8 units unless he or she has already passed or is concurrently enrolled in the compulsory Level II courses 8870 Microeconomics II, either 4190 Business Finance II or 5816 Economics of Finance II, 3784 Economics Data Analysis II (or equivalent) and one Level II Finance course, and has already passed or is concurrently enrolled in Level III Finance courses to the value of 12 units. These non-Finance courses to the value of not more than 8 units shall not include courses in which the candidate has previously failed or from which the candidate has withdrawn.

4.8 The Honours degree
4.8.1 A candidate for the Honours degree shall attend lectures and pass examinations in accordance with the provisions of these Specific Academic Program Rules.

4.8.2 A candidate may, subject to the approval of the Dean of the Schools of Commerce and Economics, and Heads of Departments of Mathematics, Applied Mathematics or Statistics, proceed to the Honours degree in the course 1708 Honours Finance.

4.8.3 A candidate may, subject to the approval of the Deans of the Schools/Departments concerned, proceed to the Honours degree taught jointly by more than one Department/School. Candidates must apply in writing to the Board of Studies for the proposed program of study to be approved in advance.

4.8.4 (a) A candidate preparing for the Honours year must complete the requirements for the Ordinary degree of Bachelor of Finance before proceeding with the Honours year, including 7739 Econometrics III, and must obtain a high standard in courses presented for the Ordinary degree (or their equivalent elsewhere).

(b) A candidate who has satisfied the
requirements for admission to Honours as set out in previous Specific Academic Program Rules is also eligible to apply for admission to the Honours year as above.

4.8.5 The work of the Honours year is normally completed in one year of full-time study. The Board of Studies may permit a candidate to spread the work over two years, but not more, under such conditions as it may determine.

4.8.6 A candidate who is unable to complete the program for the Honours degree within the time allowed, or whose work is unsatisfactory at any stage of the program, or who withdraws from the program shall be reported to the Board of Studies, which may permit re-enrolment for an Honours degree under such conditions (if any) as it may determine.

4.8.7 There shall be three classifications of Pass in the final assessment for the Honours degree, as follows: First Class, Second Class, Third Class. The Second Class classification shall be divided into two divisions, as follows: Division A and Division B.
**Syllabuses**

**Level I**

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
<th>Units</th>
<th>Semester(s)</th>
<th>Details</th>
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<tbody>
<tr>
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<td>Accounting for Decision Makers I</td>
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<tr>
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<td>4309</td>
<td>Microeconomics I</td>
<td>3</td>
<td>1 or 2</td>
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<tr>
<td>2076</td>
<td>Macroeconomics I</td>
<td>3</td>
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<td>3730</td>
<td>Finance I</td>
<td>3</td>
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<td>2 lectures, 1 tutorial per week, prequisite: 4309 Microeconomics I, corequisite: 4309 Microeconomics I, assumed knowledge: SACE Stage 2 Mathematics 1, This course provides an introduction to Australia’s financial institutions, instruments and the economics of financial markets. Topics covered include money, credit, foreign exchange and capital markets. Instruments include traditional instruments such as equity, bills and bonds. Management of interest rate and foreign exchange risk, including the use of derivatives, is introduced. Elements of financial mathematics are introduced, assessment: determined in consultation with students.</td>
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<tr>
<td>9786</td>
<td>Mathematics I</td>
<td>6</td>
<td>full year</td>
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<tr>
<td>3617</td>
<td>Mathematics IM</td>
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<td>full year</td>
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<tr>
<td>5543</td>
<td>Statistical Practice I</td>
<td>3</td>
<td>1 or 2</td>
<td>assumed knowledge: SACE Stage 2 Maths 1, This course introduces three approaches that are useful in practical applications of computing. Comparisons between the three approaches will be made, including problems from Mathematical Finance. (i) Microsoft Excel : charting, histograms, Solver for optimisation, in-built calculation/iteration</td>
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</table>

**Level II**

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<th>Course Code</th>
<th>Course Title</th>
<th>Units</th>
<th>Semester(s)</th>
<th>Details</th>
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<td>3784</td>
<td>Economic Data Analysis II</td>
<td>4</td>
<td>1 or 2</td>
<td>See Bachelor of Economics for syllabus details</td>
</tr>
<tr>
<td>5816</td>
<td>Economics of Finance II</td>
<td>4</td>
<td>2</td>
<td>2 lectures, 1 tutorial per week, prerequisite: 4309 Microeconomics I, Economics IA, 2076 Macroeconomics Economics IB, either 9101 Business Data Analysis I or 5543 Statistical Practice I, assumed knowledge: 9786 Mathematics I or 3617 Mathematics IM, 3730 Finance I, This course offers analysis of topics in financial economics at an intermediate level. Theoretical and empirical issues will be discussed, in institutional and policy contexts. Focus will be on security valuation and the operation of financial markets, analysis of financial innovation, and the role of financial intermediaries in the financial market place, assessment: determined in consultation with students</td>
</tr>
<tr>
<td>5509</td>
<td>Financial Computing II</td>
<td>4</td>
<td>1</td>
<td>2 hours practical per week, 3 lectures per week at the start of each topic, 2 lectures per week in other weeks, prerequisite: SACE Stage 2 Maths 1, or equivalent, assumed knowledge: knowledge of spreadsheets, such as would be obtained from 5543 Statistical Practice I, or 9101 Business Data Analysis I, restriction: may not be counted with 6918 Scientific Computing I, 9894 Computer Literacy I, 5729 Engineering Computing I or 4425 Quantitative Methods Using Computers I, This course introduces three approaches that are useful in practical applications of computing. Comparisons between the three approaches will be made, including problems from Mathematical Finance. (i) Microsoft Excel : charting, histograms, Solver for optimisation, in-built calculation/iteration</td>
</tr>
</tbody>
</table>
tool, iteration using circular references, vector commands. (ii) MATLAB: graphics, matrix computations, in-built functions, programming in MATLAB. (iii) ANSI C Programming: Basic C Programming: data types, arithmetic and maths functions, flow control, arrays. Functions: passing information to and from functions. Pointers: pointer arithmetic, the relationship between arrays and pointers. File handling: opening and closing files, reading from and writing to files.

assessment: 2 hour exam 60%, project, exercise work including finance related problems 40%

**1040 International Trade and Investment Policy II**
4 units semester 1
2 lectures, 1 tutorial per week
prerequisite: 4309 Microeconomics I/Economics IA and SACE Stage 2 Mathematics I or 7263 Mathematics for Economists I
corequisite: 8870 Microeconomics II
restriction: may not be taken by students who have previously completed 6695 International Trade III or 2261 International Economics III or equivalent

This course examines the interactions between economic, political, strategic, and legal aspects of international trade and investment policies at sub-national, national, regional and global levels. This includes the ways in which WTO members affect and are affected by regional and multilateral trade and economic integration agreements. The effects of trade and investment policy on the efficiency of resource use, on income distribution, and on national and global trade and economic welfare are analysed using trade theories and models of international trade and investment.

assessment: determined in consultation with students

**4107 Introduction to Mathematical Statistics II**
2 units semester 1
See School of Mathematical and Computer Sciences for syllabus details

**3926 Investment Analysis and Valuation II**
4 units semester 1
See Bachelor of Commerce for syllabus details

**9893 Macroeconomics II**
4 units semester 1 or 2

**8870 Microeconomics II**
4 units semester 1 or 2
See Bachelor of Economics for syllabus details

**4523 Statistical Practice II**
2 units semester 1
See School of Mathematical and Computer Sciences for syllabus details

**Level III**

**5177 Corporate Finance Theory III**
4 units semester 2
See Bachelor of Commerce for syllabus details

**7739 Econometrics III**
4 units semester 2
See Bachelor of Economics for syllabus details

**2100 Economic Theory III**
4 units semester 2
See Bachelor of Economics for syllabus details

**9982 Economics of Finance III**
4 units semester 2
2 lectures, 1 tutorial per week
prerequisite: 8870 Microeconomics II, 5816 Economics of Finance II, 3784 Economic Data Analysis II or both 4107 Introduction to Mathematical Statistics II and 4523 Statistical Practice II
assumed knowledge: 9786 Mathematics I or 3617 Mathematics IIM

This course examines advanced topics in financial economics including the efficient market hypothesis, financial engineering, the term structure of interest rates, financial innovation, market volatility and risk premia, anomalies and stylized facts, and decision making under uncertainty. The course will include the economic modelling of equilibrium returns (Lucas asset pricing models, CAPM & APT), portfolio choice, valuation models and options. Quantitative details of some of these topics will be covered in 7305 Financial Modelling Techniques III, which provides details of how calculations are done in market practice.

assessment: determined in consultation with students
7305 Financial Modelling Techniques III
4 units  semester 2
3 lectures per week, some tutorials
prerequisite: 9786 Mathematics I (Pass Div I) or 3617 Mathematics IM(Pass Div I)
assumed knowledge: Excel spreadsheets; finance such as may be obtained form 3730 Finance I
restriction: cannot be counted together with 7480 Financial Modelling III
The course deals with discrete time financial modelling of various financial assets, interest rates, exchange rates. It will deal with the hedging and valuation of financial products (derivative products), the modelling of yield curves and interest rate management. The emphasis will be on practical modelling, real world applications, conforming with market models used in the financial industry at the current time. Binomial lattice type models, with implementation of spreadsheets, Ho and Lee type term structure models for interest rates and their application to interest rate risk management.
assessment: determined in consultation with students

9935 International Finance III
4 units  semester 1
2 lectures, 1 tutorial per week
prerequisite: 8870 Microeconomics II, 9893 Macroeconomics II, 3784 Economic Data Analysis II or both 4107 Introduction to Mathematical Statistics II and 4523 Statistical Practice II
assumed knowledge: SACE Stage 2 Mathematics 1 or 7263 Mathematics for Economists I
restriction: 2261 International Economics III
This course examines topics in international finance including the economics of foreign exchange markets, exchange rate determination, exchange rate regimes, interest parity conditions, international financial markets and instruments, direct foreign and international portfolio investment, international portfolio diversification, international stock valuation (International CAPM, International APT), market segmentation and international integration of financial markets, management of foreign exchange risk, country risk analysis, real-option project valuation, and international institutions such as legal systems and financial intermediaries.
assessment: determined in consultation with students

6695 International Trade III
4 units  semester 2
See Bachelor of Economics for syllabus details

1411 Life Contingencies III
2 units  semester 2

9482 Mathematics of Finance III
2 units  semester 1
See School of Mathematical and Computer Sciences for syllabus details

4934 Money, Banking and Financial Markets III
4 units  semester 1
2 lectures, 1 tutorial per week
prerequisite: 4309 Microeconomics I/Economics IA, 9893 Macroeconomics II, 3730 Finance I or 5816 Economics of Finance II
assumed knowledge: SACE Stage 2 Mathematics I or 7263 Mathematics for Economists I
This course links the fields of macroeconomics and finance. It provides coverage of economic principles that underlie the operation of banks and other financial institutions. The role of money in the economy and the impact of monetary policy on the macroeconomy are emphasised, as is understanding the foreign exchange market and some basics of international finance. More broadly, this course will develop simple economic tools which will allow students to systematically analyse some of the important monetary and financial problems and developments in the world economy (such as crises in emerging economies).
assessment: determined in consultation with students

7879 Options, Futures and Risk Management III
4 units  semester 2

5332 Portfolio Theory and Management III
4 units  semester 1
See Bachelor of Commerce for syllabus details

7981 Public Finance III
4 units  not offered in 2001
2 lectures, 1 tutorial a week
prerequisite: 8870 Microeconomics II
The course is concerned with the theory and practice of public finance with emphasis on its application in the Australian economy. The public
sector will be discussed in its roles as a taxing, spending and regulating body. The major sections of the course will cover taxation, public goods, fiscal federalism and public choice theory. Analytical concepts which assist our understanding of the role of government in a market economy will be emphasised. Current policy issues will be discussed.

**Assessment:** final exam and work completed during the semester, determined in consultation with students

**7595 Risk Theory III**
4 units not offered in 2001
3 lectures, 1 tutorial per week
**Prerequisite:** 1675 Statistical Modelling and Computation II, 4512 Statistical Practice II, 4107 Introduction to Mathematical Statistics II, 5816 Economics of Finance II or equivalent elementary linear (matrix) algebra and calculus highly recommended.

This course covers the latest theories and empirical findings of risk measurement and their applications in finance. First, we discuss the different concepts of measuring risk, such as uncertainty, randomness and probability; the statistical invariants of stationarity and scaling; descriptors of serial dependence, discontinuity and concentration; the fractality or self-affinity of speculative market pricing, and the measurement and visualization of market persistence, and log term dependence, by computing the Hurst Exponent, the Lévy Stability Alpha and other Lipschitz-Hölder exponents, using R/S analysis, windowed Fourier analysis, and wavelet multiresolution analysis. The modeling focus will be on fractionally differentiated (ARFIMA) time series, in particular, on the Fractional Brownian Motion. Second, we use Value-at-Risk (VaR) as an organising paradigm for risk management, contrast it with a few alternative risk paradigms, and trace the implications of L-stable, heavy tail distributions of market pricing for portfolio risk management. Third, students will prepare different cases of financial risk and loss, catastrophe and disaster, and their management, for presentation in class.

This combined theoretical and practical approach helps the students (1) to select relevant frameworks for analysis, concepts, tools and techniques applied to real financial-economic data, and (2) to distinguish between information, knowledge and wisdom. Thus the students will be encouraged to think for themselves and to challenge accepted ideas and practices of the measurement and management of financial risk.

**Assessment:** weekly tutorial assignments, midterm project and final exam

**3511 Special Topics in Financial Economics III**
4 units not offered in 2001
2 lectures, 2 tutorials per week
**Prerequisite:** 5816 Economics of Finance II or equivalent, and 3784 Economic Data Analysis II or equivalent; elementary linear (matrix) algebra, calculus, and some computer proficiency recommended

The two objectives of this course are to provide students with an understanding of computational finance and to give them practical experience with spreadsheet programming for financial-economic modeling. This ‘hands-on’ course will cover various financial models and their implementations on PCs. The computer lab assignments form an integral part of this intense course.

On the modeling side, the lectures will cover capital budgeting, valuation of bonds, stocks, options, futures and swaps, various mathematical techniques, Markowitz’ mean-variance analysis, portfolio selection, systematic risk analysis, hedging strategies, credit risk measurement, performance measurement and optimal multi-currency, multi-asset, exact attribution analysis. On the programming side, the lectures will demonstrate, i.a., the use of symbolic algebra (Maple embedded in Scientific Workplace) and 3-D visualisation (Matlab), while the lab assignments will cover analysing empirical data and identifying and realising multi-variate models, using algebraic and geometric (graphical) approaches in Windows 97 EXCEL spreadsheets.

**Assessment:** weekly tutorial assignments, midterm project and final exam

**5675 Time Series III**
2 units semester 2

See School of Mathematical and Computer Sciences for syllabus details
Honours

1708 Honours Finance
24 units full year

Contact hours to be advised

Detailed arrangements for classes will depend on enrolments and students are advised to communicate with the Honours Coordinator before February. Students may express an interest of admission in writing to the Honours Coordinator and will be admitted by invitation in November.

Arrangements are possible for joint honours combining study in Finance with study in another Department/School. Details are available from the Honours Coordinator.

prerequisite: Honours candidates complete the requirements for the Ordinary degree of B.Fin. or its equivalent, including 7739 Econometrics III, and must obtain a high standard in courses presented for the Ordinary degree

requirements: (a) Honours students are required to undertake a research project and present a thesis. The thesis will form part of the final honours examination. The thesis counts for between 25% and 50% of the year’s assessment; (b) each student will select compulsory and optional courses from a range of Honours level courses from the various Schools. It will be assumed usually that students will have appropriate prerequisites for these courses.

Note: students admitted to the program will be given a handbook with full details of expectations and details of courses.