

BSc (Hons) Economics and Finance – SHLM301

1. Objectives

The programme is designed to provide knowledge and competence in Economics and Finance for a number of professions in the public and private sectors.

2. General Entry Requirements

In accordance with the University General Entry Requirements for admission to undergraduate degree Programmes.

3. Programme Requirements

Credit in Mathematics and English at 'O' Level and 'A' Level Mathematics or 'O' Level Additional Mathematics or HSC Subsidiary/ Advanced Subsidiary Mathematics.

4. Programme Duration

	Normal	Maximum
Degree	3 years	5 years

5. Minimum Credits Required for Degree Award – 103

Credits from			
Core Taught Modules	Dissertation	Electives	GEMs
81	10	6	9

Core Taught Modules	Credits
ECON	45
DFA + ACF	27
STAT	6
CSE	3
Total	81

6. Credits per Year

Minimum 18 credits, Maximum 48 credits, subject to regulation 4.

7. Assessment

Each module will be assessed over 100 marks with details as follows (unless otherwise specified):

The continuous assessment will count for 20-30% of the overall percentage mark of the module(s). Note that for the module Portfolio Theory and Fixed Income Securities, DFA 2012Y(3), continuous assessment will count for 40% of total marks and include a 20% lab-based test.

Continuous assessment may be based on laboratory work, seminars and/or assignments and should include at least two (2) assignments/tests per module. There will be a compulsory class test for all modules taught in semester 1 at the end of semester 1 of the given academic year unless stated otherwise in the Programme Structure.

An overall total of 40% for combined continuous assessment and written examination components would be required to pass the module, without minimum thresholds within the individual continuous assessment and written examination. The same criterion will apply for modules being assessed jointly. Note that all overall mark for the two modules will be considered and not the individual marks for each of the two modules.

8. Submission Deadline for Dissertation

Final copy: To be submitted on the last working day of March of the academic year.

9. List of Modules - BSc (Hons) Economics and Finance

Code	Module Name	Hrs/Wk L+P	Credits
<u>CORE MODULES</u>			
ECON 1005Y(1)	Introduction to Economic Analysis	3+0	6
ECON 1002Y(1)	Mathematics for Economics	3+0	6
DFA 1020Y(1)	Accounting and Financial Analysis	3+0	6
DFA 1002Y(1)	Financial Theory and Practice	3+0	6
STAT 1001Y(1)	Statistics for Economists	3+0	6
CSE 1010e(1)	Introduction to Information Technology	O.E.	3
ECON 2001Y(3)	Microeconomic Theory	3+0	6
ECON 2002Y(3)	Macroeconomic Theory	3+0	6
ECON 2003Y(3)	Principles of Econometrics	3+0	6
ECON 2015Y(3)	Corporate Financial Economics	3+0	6
DFA 2012Y(3)	Portfolio Theory and Fixed Income Securities	3+0	6
ECON 2241(3)	Financial Economics ²	3+0	3
ACF 2205(3)	Banking and Financial Services ¹	3+0	3
ECON 3112(5)	Mauritian Economy ¹	3+0	3
ECON 3181(5)	Risk Management ¹	3+0	3
DFA 3006Y(5)	International Finance	3+0	6
ECON 3000(5)	Dissertation	-	10
<u>ELECTIVES</u>			
CHOOSE TWO FROM			
ECON 3281(5)	Financial Modelling and Forecasting ¹	3+0	3
ECON 3279(5)	Financial Markets and Institutions ²	3+0	3
ECON 3007(5)	International Macroeconomics ²	3+0	3
LAW 4205(5)	Financial Services Law ²	3+0	3
GEM			6

¹ – Module taught in Semester 1 and examined at the end of academic year.

² – Module taught in Semester 2 and examined at the end of academic year.

Note: Offering of electives would be subject to availability of resources and critical mass. The Department reserves the right to offer additional electives.

10. Programme Plan – BSc (Hons) Economics and Finance

YEAR 1

CORE

Code	Module Name	Hrs/Wk L+P	Credits
ECON 1005Y(1)	Introduction to Economic Analysis	3+0	6
ECON 1002Y(1)	Mathematics for Economists	3+0	6
DFA 1020Y(1)	Accounting and Financial Analysis	3+0	6
DFA 1002Y(1)	Financial Theory and Practice	3+0	6
STAT 1001Y(1)	Statistics for Economists	3+0	6
CSE 1010e(1)	Introduction to Information Technology	O.E.	3
GEM			6

YEAR 2

CORE

Code	Module Name	Hrs/Wk L+P	Credits
ECON 2001Y(3)	Microeconomic Theory	3+0	6
ECON 2002Y(3)	Macroeconomic Theory	3+0	6
ECON 2003Y(3)	Principles of Econometrics	3+0	6
ECON 20015Y(3)	Corporate Financial Economics	3+0	6
DFA 2012Y(3)	Portfolio Theory and Fixed Income Securities	3+0	6
ECON 2241(3)	Financial Economics ²	3+0	3
ACF 2205(3)	Banking and Financial Services ¹	3+0	3

YEAR 3

CORE

Code	Module Name	Hrs/Wk L+P	Credits
ECON 3112(5)	Mauritian Economy ¹	3+0	3
ECON 3181(5)	Risk Management ¹	3+0	3
DFA 3006Y(5)	International Finance	3+0	6
ECON 3000(5)	Dissertation	-	10

ELECTIVES CHOOSE TWO FROM

ECON 3281(5)	Financial Modelling and Forecasting ¹	3+0	3
ECON 3279(5)	Financial Markets and Institutions ²	3+0	3
ECON 3007(5)	International Macroeconomics ²	3+0	3
LAW 4205(5)	Financial Services Law ²	3+0	3

Note:

¹ - Module taught in Semester 1 and examined at the end of academic year.

² - Module taught in Semester 2 and examined at the end of academic year.

11. Outline Syllabus

ACF 2205(3) - BANKING & FINANCIAL SERVICES

Financial Intermediation: Types and different activities of Banks; Payment services; Bank Modelling; Asset Allocation Model; Credit Rationing; Retail Banking: Mauritius - U.K; Wholesale Banking; An Introduction to Banking Regulations; Financial Innovation; Portfolio Theory; An introduction to International Banking and Eurocurrency Markets.

CSE 1010e(1) - INTRODUCTION TO INFORMATION TECHNOLOGY

IT and Computers; Stepping in the Computer; Input and Output Devices; Secondary Storage; Programming; Systems Software; Applications Software; Systems Development; Computer Networks; The Internet; Computer Security; Software Utilities; Issues and Trends in IT.

DFA 1002Y(1) - FINANCIAL THEORY AND PRACTICE

The financial system; Capital markets; An Analysis of the Mechanisms of the Financial System in the economy: Theory and Current Statistics; Time value of money; Capital Budgeting: an introduction; Valuation of Financial Assets; Bond analysis: an introduction; Risk, Return and Diversification; Efficient Market Hypothesis; Multinational Finance: an introduction; Consumption, Investment and the Capital Markets; Theory of choice: utility theory given uncertainty; State Preference Theory; Objects of choice: Mean variance uncertainty; Asset Pricing Theory, Agency Theory, Portfolio Theory.

DFA 1020Y(1) - ACCOUNTING AND FINANCIAL ANALYSIS

The Role of Accounting Information; Recording and Summarising Transactions; Accounting Concepts & Preparing Final Accounts; Adjustments to Final Accounts; Capital v/s Revenue Expenditure; Bank Reconciliation Statement; Accounting Ratios & interpretation Techniques; Introduction to Group Accounting & related issues; Accounting for Internal Decision Making Techniques; Elements of Cost; Costing Methods & Techniques; Decision Making Techniques; Accounting for Manufacturers; Budgets; Regulatory Framework for Company Financial Reporting; Understanding Published Annual Reports; Corporate Failures Prediction; Forecasting & Valuing Businesses; Earnings Management.

DFA 2012Y(3) - PORTFOLIO THEORY AND FIXED INCOME SECURITIES

Types of securities; The Mauritian Fund Management Industry; The Global Fund Management industry; Price volatility characteristics of Fixed Income Securities; bond rating; bond strategy; immunization strategies; Global bond portfolio management; Portfolio Theory, Portfolio Selection; Fundamental analysis; Technical Analysis; Implications of the EMH; Active v/s Passive strategy, Asset Allocation (Strategic Asset Allocation; Tactical Asset Allocation); Managed Portfolio, Performance measurement; Ethics in Finance; Applied Portfolio Models using Excel.

DFA 3006Y(5) - INTERNATIONAL FINANCE

The International Monetary System; Using Balance of Payments Data; The Foreign Exchange Market; International Parity Conditions; Foreign Currency Options; Measuring and managing foreign exchange exposure; Internal and external techniques of exposure management; Interest rate exposure; Capital and Ownership structure; Global cost of capital; Capital markets and other sources of funding for the global firm; Corporate strategy and Foreign Investment Decisions; Taxation issues; Political Risk Management; Managing Multinational Operations; Working Capital Management; Import and export Financing; issues in International Finance.

ECON 1005Y(1) – INTRODUCTION TO ECONOMIC ANALYSIS

Tools of Economic Analysis. Consumer Choice and Applications. Production and Costs: Technology, Cost Functions and Cost Curves. Factor Market Analysis. Competitive Markets, Monopoly and Monopoly Behavior, Oligopoly, Introduction to Game Theory. Market Failures and Externalities.

The Keynesian Model of National Income Determination. Theories of Consumption, Savings and Investment. Money and Banking. Monetary Policy. General Equilibrium and Comparative Statics in the IS-LM Model. Inflation and Unemployment: The AD-AS Model, Expectations and the Phillips Curve. BoP, Exchange Rates and General Equilibrium in the Open Economy.

ECON 1002Y(1) - MATHEMATICS FOR ECONOMISTS

Linearity, Elasticity and Simultaneous Relationships. Limit Theorem, Optimisation Techniques. Lagrange Multipliers. Euler's Theorem. Homogeneous Relationships. Specific Utility and Production Functions. Integration.

Dynamic Relationships. Difference and Differential Equations of First and Second Orders. Stability Tests. Matrix Algebra. Eigenvalues and Eigenvectors. Input-Output Matrix. The Hessian. Linear Programming. Simplex Algorithm.

ECON 2001Y(3) - MICROECONOMIC THEORY

Topics in Consumer Theory: Utility Maximisation, Demand, Slutsky Equation, Revealed Preference and Duality, Applications. Theory of Production and Costs. Factor Market Analysis. Market Structure: Competitive Markets and Monopoly. Externalities and Public Goods. Monopolistic Pricing Practices. Game Theory and Applications. Oligopoly and Strategic Behaviour. Markets with Asymmetric Information: Moral Hazard and Adverse Selection. Principal-Agent Models and Optimal Incentive Schemes. General Equilibrium and Welfare Economics.

ECON 2002Y(3) - MACROECONOMIC THEORY

Introduction to General Equilibrium Model. IS-LM under a Government Budget Constraint. Theories of Consumption and Savings. Theories of Investment. Government Spending and Borrowing. Mundell-Fleming Model. Exchange Rate Models. Rational Expectations. Policy Ineffectiveness Proposition. Lucas Critique. Supply. Side Recommendations. Further Aggregate Demand and Aggregate Supply Analysis. Central Bank Independence. Theories of Business Cycle. Growth Models.

ECON 2003Y(3) - PRINCIPLES OF ECONOMETRICS

Classical Linear Regression Model: Hypothesis Testing. Multiple Regression Analysis. Breakdown of Assumptions: Heteroskedasticity, Serial Correlation, Multicollinearity, Measurement Errors, Endogeneity. Dummy Variables. Simultaneous Equation Models: Identification and Estimation Methods, Time Series Models: Distributed Lag Models, Unit Root Tests, Cointegration, and Error-Correction Models, Granger Causality, Introduction to VAR Modelling. Computer Applications.

ECON 2241(3) - FINANCIAL ECONOMICS

Choice under Uncertainty: a review; axioms of cardinal utility. Asset Pricing Models: Capital Asset Pricing Model, derivation and limitations; Arbitrage Pricing Theory; Market model; and empirical evidence on the asset pricing models. Empirical Tests of Market Efficiency. Stock Market Anomalies: Tests and explanation. Alternatives to the EMH and the Noise Trader model. Market Psychology. The Stock Exchange of Mauritius. Market Integration, Financial Crisis and Contagion.

ECON 2015Y(3) - CORPORATE FINANCIAL ECONOMICS

Time value of money; using Present Value; Future Value and Annuity tables. Capital Structure: a review of Miller & Modigliani Propositions and the Empirical Evidence. Asset Pricing Models: a brief review. Measurement of the Cost of Capital. Capital Budgeting: the Process and the Appraisal Techniques. Dividend policy: Theory and Empirical Evidence. Introduction to Derivatives and Risk Management/Hedging. Securitisation. Mergers, Acquisitions and corporate restructuring. Introduction to Fixed Income Securities. Credit risk and Credit Ratings. Working capital management.

ECON 3000(5) - DISSERTATION

At the end of the third year of the programme, the students will be required to submit a project dissertation. The title of the dissertation has to be approved by the Department of Economics and Statistics and a Project Supervisor identified by the Programme Coordinator. The dissertation topic should preferably be selected from within the area of specialisation pursued by the students. The dissertation length should be in the range of 8,000-12,000 words.

ECON 3007(5) - INTERNATIONAL MACROECONOMICS

Balance of Payments Theory and Policy. Models of Exchange Rate Determination. Expectations and Exchange Rate Dynamics. Stabilisation Policies and Exchange Rate Regimes. BoP Crises and Capital Flight. Optimal Exchange Rate Regimes. Optimum Currency Areas and the EU Experience. International Capital Markets.

ECON 3112(5) - MAURITIAN ECONOMY

Contemporary Mauritian Economy: Macroeconomic Trends. Stabilisation and Structural Adjustment. Exchange Rate and Trade Policy. International Tourism and Development. Labour and Financial Markets and Institutions. Offshore Economic and Financial Activities. Regionalisation and Globalisation. Information Economy.

ECON 3181(5) - RISK MANAGEMENT

Sources and Types of Risk. Foreign Exchange Markets. Four-way Equivalence model. Tests of CIP and Int. Fisher Effect. Foreign Exchange Exposure. Techniques of Managing Forex Exposure. Tests of the Unbiased Forward Rate Theory. Economics of Swaps. Commodity Futures. Test of the Cost of Carry Theory. Introduction to VAR.

ECON 3279(5) - FINANCIAL MARKETS AND INSTITUTIONS

Financial systems. Banks v/s Capital Market. Capital Markets and Resource Allocation. National and International Financial Markets, Instruments and Institutions. Structure of Financial Markets and Trading Techniques. Interest Rate Linkages. International Liquidity. Financial Stability and Capital Flows. Financial Crisis and Contagion. Regulatory Framework.

ECON 3281(5) - FINANCIAL MODELLING AND FORECASTING

Model Specification, Selection and Evaluation; ARMA models: Stationarity and Invertibility; Unit Root Hypothesis and Stock Market Efficiency; Cointegration and Error-Correction models; Granger-causality; Impulse Response Function; Conditional Volatility models; Forecasting the stock market: Unbiased forecast, Univariate and multivariate forecasts, Forecast evaluation.

LAW 4205(5) - FINANCIAL SERVICES LAW

Banking Law. Insurance Law. Bank of Mauritius Act. Offshore Banking and Business Law. Non-Banking Financial Institutions. Regulatory Framework and Supervision.

STAT 1001Y(1) - STATISTICS FOR ECONOMISTS

Collection, Organisation and Presentation of Data. Averages. Sample Designs and Surveys. Dispersion and Skewness. Probability. Index Numbers. Time Series Analysis. Correlation and Regression. Probability Distributions. Statistical Inference. Estimation and Tests of Hypotheses: the case of Mean, Proportion, Difference between Means and Proportions, Variance. The Chi-squared Distribution and Goodness of Fit. Inference with respect to Correlation and Regression.

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