



Specialisation

# Financial Economics

ECONJ1

60 Units of Credit

## Overview

Financial Economics is concerned with understanding how financial instruments are priced in markets and how individuals and firms manage financial risk.

Markets for financial instruments arise because some firms and individuals want to borrow while others want to save. A large corporation, for example, may borrow funds to purchase new plant and equipment by issuing further stock while an individual may save by purchasing stocks or government bonds. Markets for financial instruments also arise because firms and individuals want to manage financial risk. For example, a large corporation may bet against the risk of large fluctuations in the Australian - U.S. dollar exchange rate by selling its goods by way of futures contracts. Understanding how the prices of financial instruments are determined in the market place is a central concern of financial economics, along with the design of new financial derivatives.

The area of financial economics that deals with the study of real-world data is known as financial econometrics. Financial econometrics is concerned with the statistical analysis of financial data and testing the real-world applicability of asset-pricing theories. This major provides students with a thorough understanding of the economic principles that underlie the pricing and allocative role of all financial assets, whether they are stocks, bonds, futures or options.

**Faculty**

UNSW Business School

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**School**

School of Economics

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**Study Level**

Undergraduate

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**Minimum Units of Credit**

60

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**Specialisation Type**

Major

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## Available in Program(s)

Program(s) in which this major is available

### Bachelor of Commerce - **BCom** **3502 Commerce**

Faculty: UNSW Business School

Campus: Kensington

Units of Credit: 144

Typical Duration: 3 Years

[Read More](#)

### Bachelor of Economics - **BEc** **3543 Economics**

Faculty: UNSW Business School

Campus: Kensington

Units of Credit: 144

Typical Duration: 3 Years

[Read More](#)

### Bachelor of Commerce (Co-op) - **BCom(Co-op)** **3554 Commerce (Co-op)**

Faculty: UNSW Business School

Campus: Kensington

Units of Credit: 192

Typical Duration: 4 Years

[Read More](#)

### Bachelor of Commerce (International) - **BCom(International)** **3558 Commerce (International)**

Faculty: UNSW Business School

Campus: Kensington

Units of Credit: 192

Typical Duration: 4 Years

[Read More](#)

### Bachelor of Actuarial Studies - **BActSt** **3586 Actuarial Studies**

Faculty: UNSW Business School

Campus: Kensington

Units of Credit: 144

Typical Duration: 3 Years

[Read More](#)

Bachelor of Actuarial Studies (Co op) - **BActSt (Co-op)**

**3587 Actuarial Studies (Co op)**

Faculty: UNSW Business School

Campus: Kensington

Units of Credit: 192

Typical Duration: 4 Years

[Read More](#)

## Specialisation Structure

Students must complete 60 UOC.

### Core Courses List A

Students must complete 36 UOC of List A core courses.

Note: Students completing a Financial Economics major within a Bachelor of Commerce degree program will already complete the courses ECON1101 and ECON1203 as part of the compulsory business core of their program.

Please note: Students completing a second major in Mathematics or statistics or in the following combined programs: Economics/Actuarial Studies, Economics/Adv Math (Hons), Economics/Science and Economics/Adv Science (Hons). If you complete the sequence MATH1131/MATH1231 or MATH1141/MATH1241 or MATH1151/MATH1251; the completion of ECON1202 and ECON1203 is not required for the major.

With a few of the Science specialisations only one MATH course is required, in which case students will be required to complete one of either ECON1202 or ECON1203.

ECON1101 | 6 UOC

Microeconomics 1

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ECON1102 | 6 UOC

Macroeconomics 1

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ECON1202 | 6 UOC

Quantitative Analysis for Business and Economics

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ECON1203 | 6 UOC

Business and Economic Statistics

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ECON2101 | 6 UOC

Microeconomics 2

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ECON2206 | 6 UOC

Introductory Econometrics

## Core Courses List B (Financial Economics)

Students must take 18 UOC of the following courses.

ECON2209 | 6 UOC

Business Forecasting

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ECON3107 | 6 UOC

Economics of Finance

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ECON3206 | 6 UOC

Financial Econometrics

## Prescribed Electives

Students must take at least 6 UOC of the following courses.

ECON3101 | 6 UOC

Markets and Frictions

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ECON3104 | 6 UOC

International Macroeconomics

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ECON3106 | 6 UOC

Politics and Economics

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ECON3109 | 6 UOC

Economic Growth, Technology and Structural Change

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ECON3110 | 6 UOC

Development Economics

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ECON3114 | 6 UOC

Superannuation and Retirement Benefits

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ECON3116 | 6 UOC

International Trade Theory and Policy

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ECON3117 | 6 UOC

Retirement Saving and Spending over the Lifecycle

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ECON3119 | 6 UOC

Political Economy of Capitalism

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ECON3121 | 6 UOC

Industrial Organisation

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ECON3123 | 6 UOC

Organisational Economics

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ECON3124 | 6 UOC

Behavioural Economics

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ECON3125 | 6 UOC

Economics of Health and Human Capital

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ECON3130 | 6 UOC

Real Estate Economics and Public Policy

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ECON3202 | 6 UOC

Mathematical Economics

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ECON3203 | 6 UOC

Econometric Theory and Methods

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ECON3208 | 6 UOC

Applied Econometric Methods

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ECON3209 | 6 UOC

Statistics for Econometrics

### **Recommended courses for Honours**

Honours level study is also available in Financial Economics. For students wishing to

consider taking Honours and taking the Financial Economics major the following courses would be recommended as a good preparation for Honours:

- ECON2102 Macroeconomics 2
- ECON3104 International Macroeconomics
- One of ECON3101 Markets and Equilibrium; or ECON3121; or ECON3123

Students interested in Honours should refer to the Honours stream record for entry requirements.

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### **Enrolment Disclaimer**

Unless advised otherwise by your program authority, you should follow the rules for the handbook for the year you commenced your program. You are also responsible for ensuring you enrol in courses according to your program requirements. myUNSW enrolment checks that you have met enrolment requirements such as pre-requisites for individual courses but not that a course will count towards your program requirements.



## **Additional Information**

### **Honours**

Honours level study is also available in Financial Economics. For students wishing to consider taking Honours and taking the Financial Economics major the following courses would be recommended as a good preparation for Honours:

- [ECON2102 Macroeconomics 2](#)
- [ECON3104 International Macroeconomics](#)
- One of [ECON3101 Markets and Equilibrium](#); or [ECON3121](#); or [ECON3123](#)

Students interested in Honours should refer to the Honours stream record for entry requirements.

### **Further information**

Please note that these requirements may be subject to change.

Students are advised to follow requirements according to the year they commenced. Please refer to previous editions of the [Online Handbook](#) for pre-2019 program requirements.

Contact the [UNSW Business School Student Centre](#) for advice.

tel: + 61 2 9385 3189

location: Level 1, room 1028, Quadrangle Building

[Forms, policies and procedures](#)

[Frequently asked questions](#)

## **Pre-2019 Handbook Editions**

Access past handbook editions (2018 and prior)

[Pre-2019 Handbook Editions](#)

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Authorised by Deputy Vice-Chancellor (Academic)

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