

The New Zealand Stockmarket (405N)

Overview

This subject provides students with an understanding of the functions and operations of the securities market in New Zealand. Students will gain an understanding of how the market operates and the processes used in evaluating securities.

Learning Outcomes

- outline the structure, organisation and roles of the NZX and its participants
- outline the way companies use the stockmarket to raise funds on the NZX
- distinguish between each of the equity and debt securities traded on the retail debt market and on the NZX
- explain how FASTER operates and the processes involved in carrying out FASTER transactions
- explain pricing and valuation methods for simple equity and debt market securities
- assess the effect of imputation and capital gains tax on investment in the sharemarket
- distinguish between the macroeconomic variables that affect the price of debt and equity securities and outline their impact on securities valuations
- discuss elementary portfolio construction, securities analysis and accepted investment practices
- discuss how the global nature of equity investment and the independence of stockmarkets provide both benefits and difficulties for investors.

Delivery Method

The primary method of delivery for this subject is distance education supported by comprehensive print, and online resources. Students will have access to an online subject room where a range of resources may be available. These include Discussion Forums, online applications and further resources.

Student assessment

Assessment Type	Assessed	Weighting
Assignment	Week 6	40%
Examination	Week 11	60%

Pre-requisites

There are no pre-requisites for this subject

Unit content and structure

Week	Topic
Topic 1	The New Zealand Stockmarket — an Overview
Topic 2	NZX Market Participants and Share Registries
Topic 3	Raising Funds on the Stockmarket
Topic 4	Stockmarket Products
Topic 5	Settlement and Registration of Stockmarket Transactions
Topic 6	Corporate Actions
Topic 7	Taxation and Shares
Topic 8	Stockmarket Investing
Topic 9	Factors Affecting Securities Prices

Workload

Students in this subject would be expected to undertake between 10–11 hours of student effort per week. The grid below indicates the types of activities that students would undertake during the trimester.

Learning activity	Time allocated
Course notes, text book reading and additional reading	40
e-learning activities, subject room learning resources	25
Assessment preparation	55
Total hours	120

Additional Reading List

The following list of periodicals provides the student with additional reading material that relate to the New Zealand Stockmarket.

- The Economist
- The Financial Times
- The National Business Review (NBR)
- The New Zealand Herald