Problems such as gambling addictions and poor saving behaviour might be solved with new insights into the connection between emotions, impulsivity and decision-making.

Marketing at Melbourne in 2009 Dr Harris taught the first undergraduate Neumarketing course in the world as part of the Bachelor of Commerce offered by the Faculty of Business and Economics. Although Neuroeconomics is increasingly offered within graduate programs this is the first dedicated neumarketing curriculum to be delivered in the undergraduate level. The Neumarketing subject provides students with unique interdisciplinary knowledge bases that inform their understanding of marketing principles and practices.

Dr Phil Harris, cognitive neuroscientist in the Department of Management and Marketing, and Dr Cantan Murawski, economist in the Department of Finance, are involved in a unique cross-disciplinary project integrating research from economics, psychology, and neuroscience to make what they hope to be “a great leap forward” in the study of decisionmaking.

This new approach is called neuroeconomics. The team includes Professor Gary Egan, head of the Neumarketing Group in the University’s Centre for Neuroscience, Dr Oliva Cartier, an expert in parietal consciousness and neuropharmacology, and Dr Robert Hester, a specialist in addiction consciousness and neuropharmacology, and Dr Harry Schiavo will speak in Hong Kong. All Finance graduates are invited to contact Andrea Barry, alumni@unimelb.edu.au, and register their contact details so they can receive email notices of future events. The Department endeavours to keep our alumni current by participating in the FBE Alumni Reunion and lecture series each year and in the wake of the GFC, Professor Karen Davis recently presented a lecture on “Rethinking Financial Regulation.”

Enrolments in the Bachelor of Commerce and the Master of Management (Finance) continue to grow. The Department is working on the continuous design of all its programmes and a redesign of the Master of Applied Finance to provide a “yardstick of excellence” during the curriculum of all its students.

In a way, we are trying to decode brain activity to gain a better understanding of the way we make economic decisions.

The researchers believe that the integration of economics, psychology, and neuroeconomics will significantly advance our understanding of decision-making and crack some of the puzzles they have been struggling with. Participants in the studies make a set of decisions, for example, a series of choices between a smaller, sooner reward and a larger, later reward. Participants’ choices are observed during a computer-based task. In an increasing number of experiments, participants are put in a brain scanner (PET) to measure brain structure and brain activation during decision making.

This allows the researchers to discover which brain regions are involved in certain aspects of decision-making, how they interact with each other, and how their activation brings about certain behaviour.

Department Update for 2010 – Semester 1

\[ \text{Department Update for 2010 – Semester 1} \]

1. **Department Update for 2010 – Semester 1**

   **PhD Coordinator Update**

   **Locked out of the market**

   **Finance Professional Programs from Leslie Coleman**

   **Honours Update**

   **Finance Professional Programs Update**

   **Brain Power**

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   **DEPARTMENT OF FINANCE ALUMNI NEWSLETTER**

   **OCTOBER 2010**

   **T A K I N G S T O C K**

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   **OCTOBER 2010**

   **T A K I N G S T O C K**

   **Professor Bruce Grundy**

   **Department of Finance will in future years be able to allocate five Partner Program scholarships to Melbourne University education in Finance has kept the Department thriving. As the alumni base of graduates of the Finance Honours, the Master of Management (Finance), the Postgraduate Diploma in Finance, the Master of Finance, the Master of Applied Finance, the research-based Master of Commerce (Finance), the PhD in Finance plus the many graduates with a finance major grows, the Department continues to build its networks. There will be a dinner for Finance Honours graduates on Tuesday October 26, 2010 at the Westin Melbourne with one of our honouris, Avi Gollub of Unlitas Capital, as the after-dinner speaker. There will also be a dinner reception for graduates of all Finance programs at Lord Heavey on the Bund in Shanghai on Monday September 27, 2010, as well as a drinks reception for all Finance Alumni in Hong Kong on November 30, 2010. Dr Ian O’Connor will speak briefly in Shanghai about developments in the Faculty and the new building for the Faculty of Business & Economics (FBE) and Dr Harry Schiavo will speak in Hong Kong. All Finance graduates are invited to contact Andrea Barry, alumni@unimelb.edu.au, and register their contact details so they can receive email notices of future events. The Department endeavours to keep our alumni current by participating in the FBE Alumni Reunion and lecture series each year and in the wake of the GFC, Professor Karen Davis recently presented a lecture on “Rethinking Financial Regulation.” Enrolments in the Bachelor of Commerce and the Master of Management (Finance) continue to grow. The Department is working on the continuous design of all its programmes and a redesign of the Master of Applied Finance to provide a “yardstick of excellence” during the curriculum of all its students.

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PHD Coordinator Update

By Dr Spencer Martin

PHD programs usually exist “under the radar”. Everyone knows that new junior professors must originate somewhere, but few know the process they undertake before being appointed. In this issue, I invite you to take a look at the professional production line hidden within your department.

New doctoral students begin with an extremely rigorous sequence of coursework in economics, statistics, and finance. These subjects often bear titles similar to undergraduate offerings, such as “Microeconomics” or “Corporate Finance”, but the treatments are much more abstract and grounded in firm mathematical and economic theory. This framework builds a strong discipline for the persistent, deductive, methodical approach that production of convincing new research requires. In parallel to the coursework, students are learning to work successfully as tutors and are attending research workshops to talk to experienced leaders presenting their latest works. These tasks will continue throughout the program.

With over a year of such training and grounding in the curricula and states of the art, the students are required to write a formal research proposal and have it approved following formal presentation in the form of a confirmation seminar. Confirmation is an hour and each candidate must satisfy a panel of three professors that their proposal is viable and original.

Following confirmation, the real work begins: a dissertation (a 120,000 word thesis). The very word evokes images of books, long hours of work, manual labor and dedication. According to the economics of research production, the success or failure of this process is only a small part of the overall story.

For completion, the candidate’s PhD must be timely completed, defend the thesis, and pass the oral examination before the thesis can be considered complete. The Australian Psychological Society suggests that 80% of students are successful after three years. This suggests that a PhD in Australian universities can take up to two years to complete.

A most significant development this year has been the change in the PhD professional programs. These programs have been the formal external reviews of the Postgraduate Diploma in Finance, Master of Finance, and the Master of Applied Finance. This is a regular process, which brings together directors of the programs along with senior staff from the Faculty of Business and Economics. Overall details of these courses, relevant data and subjective analyses are brought together, and followed by critical examination of all aspects of the programs, with particular emphasis on how well our course design, delivery and assessment meet the stated objectives. This process is akin to a quality audit, and also an opportunity for those inside and outside the programs to take stock and make any appropriate improvements.

A number of issues are yet to be finalised, one pleasing outcome is that we are very excited to see students cutting edge practice with many courses taught by experienced practitioners. Theo, it is important that our students are internationally aware and up to date in having courses taught by senior faculty from Universities in Australia and other leading overseas institutions.

In the future, the professional programs are specifically tailored to meet the needs of people who have – or wish to develop – a career in finance. Thus they are specialist offerings. In addition we expect students to cut across the usual separation between practice and theory, and align them with the financial industry. The shift the entry requirements and content of the Master of Applied Finance to be more aligned with corporate finance students with a finance background.

The financial professional programs are specifically tailored to meet the needs of people who have – or wish to develop – a career in finance. Thus they are specialist offerings. In addition we expect students to cut across the usual separation between practice and theory, and align them with the financial industry. The shift the entry requirements and content of the Master of Applied Finance to be more aligned with corporate finance students with a finance background.

The Department Update for 2010 – Semester 1 continued from page 1

This newsletter must also express the Department’s thanks to those of our staff who are leaving us. We wish Dr Rayna Brown all the best in her retirement after more than a decade of productive teaching and research in the Department and we cotidate Christine Brown on her new appointment as a Professor of Finance at Mian University. Dr Bao Pang is also a very productive young academicians. Dr Patrick Adamek, will also be taking a position as an Associate Professor of Finance at VU University Amsterdam. Patrick will retain a three-year visiting position with us and return each year to lecture into the PhD Corporate Finance class. The Department has succeeded in keeping an excellent new Professor of Finance, Dr. J. Martin. Before joining us, Spencer taught at Carnegie Mellon University. He is a Wharton graduate and an international expert on credit spreads and momentum investing strategies. Spencer joins us taking over the role of Director of the Department’s PhD program. The Department’s PhD program is now looking forward to being ranked in the second half of 2010 by two new additional board members. Stephen Phillips, the Cambridge Judge School of Business and Ziemowit Bednarek from the Haas School of Business at UC Berkeley.

The Department is an international leader in research and teaching in Finance and we look forward to the assistance of our alumni in further building our joint reputation.

Honours Update

Dr Ian O’Connor

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Honours supervisory board meets twice annually in February and October. The annual honours alumni dinner has returned this year for the finance honours program peak. The annual honours alumni dinner has returned this year for the Finance Department.

The Department of Finance works closely with the University of Melbourne Bachelor of Finance (BCom) program and Melissa financial management and Accounting in which a small number of student finance students who can also be considered for the BCom program.

The Department of Finance has now annual honors students who can also be considered for the BCom program.

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