



AUSTRALIA-IMF

SCHOLARSHIP

PROGRAM

FOR ASIA

2003





## Contents

INTRODUCTION	3
THE PROGRAM	4-5
ADMISSIONS INFORMATION	6
GENERAL INFORMATION	6
CONTACT ADDRESSES	7 - 9
IMPORTANT DATES	9
APPLICATION FORM	10 -15
SAMPLE TEST	16



## **Introduction**

The Australia-IMF Scholarship Program for Asia was first introduced in 1997. It is funded by the Government of Australia, administered by the International Monetary Fund (IMF), and conducted at the Australian National University (ANU) in Canberra, Australia.

Many countries in Asia are making the transition to more market-oriented systems of economic management. Skilled human resources within the government are essential if this transition is to be successful.

By training future macroeconomic managers in these countries, the program aims to enable them to produce sound economic and financial stability needed for sustainable growth and development.

### **The Australia-IMF Scholarship Program targets**

young government officials who will be the future policy-makers with the capacity and vision to contribute effectively to the economic development of their countries,

#### **from the following countries:**

Cambodia, China, Indonesia, Lao PDR, Mongolia, Myanmar, Philippines, Thailand and Vietnam.



## The Program

Recipients of the Australia-IMF Scholarship Program are accepted into the Economics of Development program at the Australian National University (ANU), National Center for Development Studies (NCDS).

The Economics of Development program trains economists in the application of economic principles to development issues. This involves an in-depth understanding of economic theory, competence in the use of econometrics and the ability to apply this knowledge to policy formulation and analysis.

Scholars have two course options, both of which entail a 12 month study period: the Graduate Diploma, or the Master of Economics of Development.

Both courses include a compulsory preparatory course. The results of this preparatory course will determine whether scholars are accepted to the Graduate Diploma or the Master's course.

We encourage all candidates to prepare and study well before and during the application process, so that they can immediately be accepted into the Master's course, and return to their home-country with a Master's degree after 12 months. The sample math test (on page 16–17) gives an indication of the level of academic knowledge expected of scholars before being accepted into the program.

Scholarships are granted for a 12 month study period only, including the preparatory course. Graduate Diploma scholars who wish to upgrade (and extend) their studies to the Master's level, must reapply for funding from the IMF, or another organization. The IMF does not guarantee further funding even if academic performance is satisfactory.

### COMPULSORY: Preparatory Course

In January, prior to the first semester, scholars undertake a seven-week preparatory course. This course is specifically designed to prepare scholars for the Economics of Development Program. It covers mathematics, economics, academic skills, computing, and English For Economists.

In addition, the preparatory course also invites guest speakers from leading private and public organizations to provide an insight into the different aspects of policy making in Australia and elsewhere. For example, there may be seminars on government and governance in Australia, and a guided tour of Parliament House.

The course also serves as an orientation to life at the University and in Canberra. Topics covered include health care, accommodation and transportation, as well as entertainment, food and shopping. Social events to meet fellow students are also organized.

## OPTION 1: Graduate Diploma in the Economics of Development

The Graduate Diploma is a two-semester course designed to provide scholars with a solid training in basic economic principles and techniques and their application to policy formulation. Subjects include microeconomics, macroeconomics, issues in development policy, mathematical techniques and introductory econometrics.

Assessment is based on combinations of mid-semester and final exams, assignments and oral presentations.

*Semester 1 (March to June)*  
*all subjects are compulsory*

- Diploma Microeconomics
- Issues in Development Policy
- Mathematical Techniques in Economics

*Semester 2 (July to December)*  
*all subjects are compulsory*

- Economic Models and Introductory Econometrics
- Introduction to the Macroeconomics of Developing Countries
- Applied Economics: Cost Benefit Analysis  
or  
Personnel Economics for Management

## OPTION 2: Master of Economics of Development

The Master of Economics of Development is a two-semester course designed to provide scholars with more advanced training in economic principles and techniques and their application to policy formulation.

Assessment is based on mid-semester and final exams, assignments, oral presentations and an in-depth research essay.

*Compulsory subjects*

- 1 Masters Microeconomics or Microeconomic Theory A
- 2 Macroeconomics of Development
- 3 MEcDev Research Essay
- 4 Quantitative International Economics

*Four subjects out of the following specializations or general subjects:*

Banking and Finance

- The Role of Financial Markets and Instruments in Economics Management
- Financial Economics
- Economics of Incentives and Institutions

Trade and the International Economy

- International Trade Theory and Policy
- International Economics
- Quantitative International Economics
- Issues in Development Policy

Environmental Economics

- Cost Benefit Analysis
- Resource Economics
- Environmental Economics
- Economics of Incentives and Institutions

Corporate Governance

- Personnel Economics in Management
- Financial Management
- Strategic Thinking
- Labour Economics and Industrial Relations

General subjects include, for example: Macroeconomic Theory, Applied Econometric Models, International Economics, Public Economics



## Admissions Information

The application deadline is August 1, 2002.

Because of the strong competition for scholarships, the Australia-IMF Scholarship Program for Asia is highly selective.

Awards are made on the basis of the candidate's academic record, mathematics and statistics skills, English proficiency and potential and motivation to contribute to the economic development of their country. The assessment also includes qualities such as the candidate's commitment, willingness to learn, and openness to new ideas.

To apply, a candidate must be a national of one of the target countries:

Cambodia, China, Indonesia, Lao PDR, Mongolia, Myanmar, Philippines, Thailand or Vietnam.

Candidates must work, or have an offer of employment from one of the following or related agencies:

Ministry of Economy, Ministry of Finance, Ministry of Planning, Central Bank, Tax Administration, National Statistics Bureau, etc.

The program will consider officials working in other areas of government that have a significant impact on the formulation or imple-

mentation of macroeconomic policy. It is also open to persons who intend to work in the government but have not yet taken up their positions. This might include students who are finishing their university studies.

However, **candidates must be nominated by a senior government official.**

Finally, candidates must have a superior undergraduate (bachelor's) academic record.

Candidates who fulfill these criteria should complete the application form enclosed with this brochure. They should be airmailed (with a post mark *no later than August 1<sup>st</sup>, 2002*) to:

Ms. M. Kennedy  
Scholarship Programs Officer  
IMF Regional Office for Asia and the Pacific  
21F Fukokuseimei Bldg.  
2-2-2 Uchisaiwai-cho  
Chiyoda-ku, Tokyo 100-0011  
Japan

After an initial screening of applications by the Regional Office, some candidates will be contacted by the IMF's Resident Representative in the candidate's country to arrange an interview. A math and/or English examination may be administered at this time. Final selection will be made on the basis of this interview and the testing, the information given on the application form and any other supplementary information.

## General Information

The scholarship covers expenses including tuition fees, monthly stipend-which includes the housing allowance, medical and accident insurance, visa application fees, testing fees (such as TOEFL) and one economy class round trip air-ticket.

The scholarship covers expenses incurred by the scholar only. No provision is made for the scholar's family.

### Travel and Insurance

Travel to Australia will be economy class by the most direct route available. Scholars will be provided with pre-paid tickets and a travel allowance. Assistance in applying for visas will be provided.

Scholars will be provided with travel insurance for their journeys to and from Australia. While traveling, personal effects will be insured within specified limits.

### Accommodation

Accommodation will be provided for scholars on, or close to, the university campus.

### Scholar's Family

If a scholar brings his or her family to Australia, arrangements can usually be made with the University for housing to accommodate additional family members. The living allowance paid to each scholar remains the same regardless of the family situation.

Scholars should plan carefully if they wish their families to accompany them because any additional expenditures are at the scholar's expense. These would include travel, insurance and medical costs and, possibly, higher housing costs.

### Health Certification and Medical Arrangements

Arrangements will be made to provide medical insurance for most medical expenses. This insurance, however, does not cover pre-existing conditions.

Australian visa regulations require that all students undergo a thorough medical examination at an approved hospital or clinic in their countries. Scholars will be reimbursed the cost of this medical examination.

## Contact Addresses

Further information can be obtained from:

Ms. M. Kennedy, Scholarship Programs  
Officer  
IMF Regional Office for Asia and the  
Pacific  
21F Fukoku Seimei Bldg.  
2-2-2 Uchisaiwai-cho  
Chiyoda-ku, Tokyo 100-0011, JAPAN  
Tel.: +81 3 3590-6708  
Fax: +81 3 3597-6705  
Email: [mkennedy@imf.org](mailto:mkennedy@imf.org)



IMF Resident Representatives in the target countries are also available to provide information:

**Cambodia**

Mr. Robert Hagemann  
National Bank of Cambodia Building  
22–24 Preah Norodom Blvd.  
Phnom Penh  
Kingdom of Cambodia  
Tel.: 855 23 218 600  
Fax: 855 23 218 601

**China**

Mr. Ichiro Otani  
Rm 3612, China World Tower 2  
No. 1 Jianguomenwai Ave.  
Beijing 10004  
China  
Tel.: 86 10 6505 1155  
Fax: 86 10 6505 8580

**Indonesia**

Mr. David Nellor  
c/o Bank Indonesia  
Tipikai Building, 1<sup>st</sup> floor  
Jl. M.H. Thamrin 2  
Jakarta Pusat  
Indonesia  
Tel.: 62 21 231 1884  
Fax: 62 21 231 1939

**Lao PDR**

Mr. Eric Sidgwick  
Banque d'Etat de la Republique  
P.O. Box 19  
Rue Yonnet, Vientiane  
Lao P.D.R.  
Tel.: 856 21 21 3106  
Fax: 856 21 21 4986

**Mongolia**

Mr. Michael Martin  
Government House, Rm. 268  
Ulaanbaatar 12  
Mongolia  
Tel.: 976 11 329 153  
Fax: 976 11 312 181

**Myanmar**

Ms. May Mar Lar Maung Gyi  
Chief  
International Relations Department  
Minister's Office  
Ministry of Finance and Revenue  
26 (A), Settmu Road  
Yankin Township  
Yangon  
Fax: 951 545 718

**Philippines**

Mr. Sean Nolan  
Rm. 407, 5-Storey Building  
Bangko Sentral ng Pilipinas  
A. Mabini Street  
Manila  
Philippines  
Tel.: 63 2 536 0785  
Fax: 63 2 536 0038

**Thailand**

Mr. Lorenzo Giorgianni  
c/o Khun Orasa  
Bank of Thailand  
273 Samsen Road  
Bangkok 10200  
Thailand  
Tel.: 66 2 283 6130  
Fax: 66 2 283 6131

**Vietnam**

Ms. Susan Adams  
Suite 601  
63 Ly Thai To Street  
Hanoi  
Vietnam  
Tel.: 84 4 824 3350  
Fax: 84 4 825 1885

University details are as follows:  
Scholarship Programs  
National Center for Development Studies  
Australian National University  
Canberra, ACT 2601, AUSTRALIA  
Tel.: +61 2 6125-3914  
Fax: +61 2 6125-4705

### Important Dates

Applicant's Process	Date
Application deadline	August 1, 2002
Testing & interviews of successful applicants (at the IMF Resident Representative office in the applicant's country)	September 1 – 12, 2002
Notification of results of application	September 19 – 26, 2002
Deadline to accept the offer of the scholarship	October 16, 2002
Reserve or stand by applicants are called, if necessary	November 19 – 23, 2002
Visa application process begins	October – December, 2002
Arrival in Australia	January 2003

NOTE: Final decisions will not be made until November 15<sup>th</sup>.

## APPLICATION FORM

### AUSTRALIA-IMF SCHOLARSHIP PROGRAM FOR ASIA 2003

#### HOW TO COMPLETE THIS FORM

##### TO THE APPLICANT:

This form will be presented to the Selection Committee for this program and the information you provide will be used in the selection process.

To be eligible, you must:

- be a national of one of the following countries: Cambodia, China, Indonesia, Lao PDR, Mongolia, Myanmar, the Philippines, Thailand or Vietnam;
- work in, or have an offer of employment from, one of the key economic ministries or the central bank;
- be nominated by a senior official within your government;
- have a superior academic record.

The Australia-IMF Scholarship Program for Asia provides successful candidates with benefits covering full tuition fees; economy class air travel to and from the course location; accommodation; subsistence allowance; and travel, medical and accident insurance. Please note that awards are for the support of the scholar only, *no provision is made for the scholar's family*.

##### Along with this application form, the applicant must submit the following documents:

- TOEFL, IELTS or TOEIC test score;
- Official academic transcript with an English translation;
- 2 Reference letters (from a supervisor or academic advisor.)

This form and the relevant documents should be completed and signed by both the candidate and his or her sponsor and be sent by airmail to:

Ms. M. Kennedy  
Scholarship Programs Officer  
IMF Regional Office for Asia and the Pacific  
21 Fl. Fukoku-Seimei Bldg., 2-2-2 Uchisaiwai-cho  
Chiyoda-ku, Tokyo 100-0011, Japan.

Incomplete applications or applications missing documents will **not** be processed.

Please note that final decisions will **not** be made before November 15<sup>th</sup>. You will be notified of your status then. The IMF Regional Office will not have information before that time. If you have any SPECIFIC questions or concerns **other** than your status, please contact the Programs Officer directly at the IMF Regional Office for Asia and the Pacific.

##### TO THE SPONSORING OFFICIAL NOMINATING THE APPLICANT:

Please complete and sign page 4 after pages 1 – 3 of the application form have been completed and signed by the applicant. Applications without your signature will be considered invalid.

# APPLICATION FORM

page 1

## AUSTRALIA-IMF SCHOLARSHIP PROGRAM FOR ASIA 2003

**NAME:** \_\_\_\_\_

### 1. PERSONAL DATA

#### NAME

Last name or surname: \_\_\_\_\_

First name: \_\_\_\_\_

Middle name(s): \_\_\_\_\_

Citizenship: \_\_\_\_\_

Year of Birth: \_\_\_\_\_

Age: \_\_\_\_\_

Gender (male/female): \_\_\_\_\_

#### CONTACT ADDRESS

Addressee (e.g. organization, company): \_\_\_\_\_

Street: \_\_\_\_\_

City: \_\_\_\_\_

Postcode: \_\_\_\_\_

Country: \_\_\_\_\_

Email: \_\_\_\_\_

Tel. (work): \_\_\_\_\_

Tel. (home): \_\_\_\_\_

Fax: \_\_\_\_\_

### 2. EDUCATION

Higher education (please state in chronological order, starting with the most recent)

School or University: \_\_\_\_\_

City / Country: \_\_\_\_\_

From: \_\_\_\_\_

Degree or Qualification: \_\_\_\_\_

To: \_\_\_\_\_

Language of Instruction: \_\_\_\_\_

School or University: \_\_\_\_\_

City / Country: \_\_\_\_\_

From: \_\_\_\_\_

Degree or Qualification: \_\_\_\_\_

To: \_\_\_\_\_

Language of Instruction: \_\_\_\_\_

School or University: \_\_\_\_\_

City / Country: \_\_\_\_\_

From: \_\_\_\_\_

Degree or Qualification: \_\_\_\_\_

To: \_\_\_\_\_

Language of Instruction: \_\_\_\_\_

Total number of formal education: \_\_\_\_\_ years.

## APPLICATION FORM

### AUSTRALIA-IMF SCHOLARSHIP PROGRAM FOR ASIA 2003

**NAME:** \_\_\_\_\_

**List 5 subjects taken in Economics, Statistics, Mathematics or other subjects relevant to the program:**

- |          |          |
|----------|----------|
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ |          |

#### Previous scholarship awards or training courses

Have you ever received a scholarship, or attended a training course at the Joint Vienna Institute, Singapore Training Institute or any other international institute? If yes, please state below:

Scholarship or training course:	From:
_____	To:
Scholarship or training course:	From:
_____	To:
Scholarship or training course:	From:
_____	To:

#### 3. PRESENT POSITION

Employer:	
Division/Department:	From:
Position:	To:

Summarize your present duties and responsibilities, or those you will have when you take up your position.

---



---



---



---

#### 4. PREVIOUS POSITIONS

(please state in chronological order, starting with the most recent)

Employer:	
Division/Department:	From:
Position:	To:
Employer:	
Division/Department:	From:
Position:	To:
Employer:	
Division/Department:	From:
Position:	To:

AUSTRALIA-IMF SCHOLARSHIP PROGRAM FOR ASIA 2003

NAME: \_\_\_\_\_

**OTHER RELEVANT EXPERIENCES**

(membership of committees, publications, participation in special projects, international conferences, etc.)

Membership/Publication/Project/Conference: \_\_\_\_\_ Date: \_\_\_\_\_

Membership/Publication/Project/Conference: \_\_\_\_\_ Date: \_\_\_\_\_

Membership/Publication/Project/Conference: \_\_\_\_\_ Date: \_\_\_\_\_

**5. ENGLISH PROFICIENCY**

**English Testing (TOEFL, IELTS, TOEIC or their equivalent)**

Test: \_\_\_\_\_ Score: \_\_\_\_\_ Date you took the test: \_\_\_\_\_

Test: \_\_\_\_\_ Score: \_\_\_\_\_ Date you took the test: \_\_\_\_\_

Test: \_\_\_\_\_ Score: \_\_\_\_\_ Date you took the test: \_\_\_\_\_

**Describe how /when you use English.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**6. ESSAY**

On a separate piece of paper, write an essay on what you hope to achieve during your study period at Australian National University (for example, what will be your master's research essay topic?), and what you hope to accomplish upon return to your country. The essay should be no more than 500 words and attached to this application form. (Please type the essay, if possible).

## APPLICATION FORM

### AUSTRALIA-IMF SCHOLARSHIP PROGRAM FOR ASIA 2003

#### SPONSOR'S NOMINATION AND CERTIFICATION

I, the undersigned (name of sponsor) \_\_\_\_\_, \_\_\_\_\_  
Last name First name

acting on behalf of (name of agency) \_\_\_\_\_  
hereby:

1. nominate (name of applicant) \_\_\_\_\_, \_\_\_\_\_  
Last name First name

for graduate studies at the Australian National University;

2. certify that the information supplied by the applicant is correct to the best of my knowledge;

3. certify that the applicant, if accepted, will receive leave of absence for the duration of the course and upon return will be employed:

as (title of position) \_\_\_\_\_

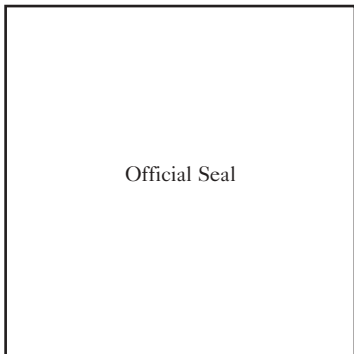
in (name of agency) \_\_\_\_\_

4. certify that the applicant, if accepted, will not be assigned duties that will conflict with devoting full time and attention to the course;

5. certify that my agency will assist in the applicant's repatriation if any personal difficulties or circumstances arise during the course that make repatriation desirable;

6. certify that the candidate, if accepted, will take a comprehensive medical examination immediately before the course, to ensure that he/she is in good health, free from any contagious disease, and free from any medical condition that would impair attendance at the course;

7. guarantee, in addition, that the IMF will be reimbursed promptly by my agency for all expenses incurred as a result of any of the conditions mentioned in 5 and 6 above, as well as for any medical expenses not covered by medical insurance.



Sponsor's Signature \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_, \_\_\_\_\_  
Last name First name

Title \_\_\_\_\_

City and Country \_\_\_\_\_

Tel. \_\_\_\_\_ Fax \_\_\_\_\_

## APPLICATION FORM

page 5

### AUSTRALIA-IMF SCHOLARSHIP PROGRAM FOR ASIA 2003

NAME: \_\_\_\_\_

#### 7. APPLICATION CHECKLIST:

Incomplete applications will not be accepted.

- Official academic transcript with an English translation.
- References letters with their English translations to this application. (references should be from your supervisor at work and/or an academic advisor or professor at your last university)
- TOEFL, IELTS, TOEIC or other equivalent English test score or proof of proficiency.
- Have you completed every section, and answered every question applicable to you?
- Have you attached the 500 word essay?
- Have you signed and dated this application below?
- Has your sponsor read through your application?
- Has your sponsor completed, signed, and dated page 4 of this application?
- On page 4 of this application, is there an official seal of your sponsoring agency?

If you wish, you may state, on a separate sheet of paper, any further facts you would like us to know.

**I certify that the information I have written on the application form and the documents I have submitted to be true and accurate.**

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

## Sample Math Test

(Two parts, 2.5 hours total)

### Part 1 Mathematics

1. Suppose that maximum price that consumers are prepared to pay for a commodity is a linear function of the quantity being consumed. The inverse demand function is:

$p = a - bq$  where  $a > 0$  and  $b > 0$ .

- What restrictions would normally be placed on the domain and range of this function?
- Derive an expression for the total expenditure,  $pq$ , on this commodity as a function of the quantity being consumed.
- Sketch diagrams of the inverse demand function and the total expenditure function.
- Calculate the levels of consumption at which total expenditure would be zero.
- Using your graph of the total expenditure function (or using calculus if you wish), find the level of consumption at which total expenditure would be maximized.

2. Consider the system of linear equations

$$x_1 + x_2 + x_3 = 6$$

$$2x_1 - x_2 + 2x_3 = 6$$

$$-x_1 - x_2 = -5$$

- Express this system of equations in the matrix format  $Ax = d$ .
- Find  $A^{-1}$  and use this to solve for  $(x_1, x_2, x_3)$ . Check your results.
- Use Cramer's Rule to solve directly for  $x_2$  and  $x_3$ .

3. Consider the following simple macroeconomic model of an open economy

$$Y = C + X - M \quad (\text{equilibrium})$$

$$C = c_0 + cY \quad (\text{consumption})$$

$$X = X_0 \quad (\text{exports})$$

$$M = m_0 + mY \quad (\text{imports})$$

where  $C$ : consumption;  $X$ : export;  $M$ : import and  $Y$ : aggregate output. Exogenous constants are  $X_0$ ,  $c_0$ ,  $m_0$ ,  $c$  and  $m$ .

- Write the above system of equations as a system of 3 equations in 3 variables and express in matrix form.
- Find the equilibrium levels of  $Y$  and  $M$ .

4. Consider the utility function:

$$U(X_1, X_2) = X_1^2 X_2$$

- Find the marginal utility of  $X_1$  and  $X_2$ .
- Find the slope of the utility function. Explain the economic meaning.
- Repeat a) and b) for the following utility function:

$$U(X_1, X_2) = X_1 + X_2$$

5. Find the marginal-product functions for the following production function:

$$y = A [\delta x_1^{-r} + (1-\delta) x_2^{-r}]^{-1/r}$$

where  $A > 0$ ,  $0 < \delta < 1$ ,  $r > -1$

6. Find the following limits if they exist. Illustrate by sketching graphs of the functions.

a)  $\lim (x + |x|)/x$  as  $x$  approaches zero.

b)  $\lim 1/\sqrt{x}$  as  $x$  approaches infinity.

7. A profit-maximising monopoly produces at a constant marginal cost of  $\alpha$  per unit

where  $\alpha > 0$ . It receives profits of

$$\pi = R(q) - \alpha q$$

where  $q$ : output,  $R$ : revenue;  $R'(q) > 0$  and  $R''(q) < 0$ .

a) Derive the first-order conditions for a profit maximum. Interpret the first-order conditions. Are the second-order condition satisfied?

b) At the profit-maximising level of output, find  $dq/d\alpha$ .

8. A monopolist faces the inverse demand curve  $p = 200 - x$ . Its cost function is

$$C = x^2.$$

a. Find the output which maximises the monopolist's profits. What are prices and profits at that output?

b. Find the elasticity of demand at the profit-maximising output.

c. Now suppose that the government introduces a specific tax of  $\$t$  on each unit of output. The monopolist now earns  $\$t$  less than it did previously on each successive unit of output and so from its point of view the inverse demand curve it now faces is  $p = 200 - t - x$ . Find the profit-maximising level of output in terms of arbitrary levels of  $t$ .

d. How will output change when  $t$  changes?

#### Part II Statistics

9. The following table gives the anticipated one-year rates of return from a certain investment and their associated probabilities.

Rate of Return	Probability
X (%)	$P_1$
-20	0.10
-10	0.15
10	0.45
25	0.25
30	0.05

a) Calculate the expected rate of return,  $E(X)$ .

b) Calculate the variance and standard deviation of the returns.

