



# AFIN867

## International Financial Management

S1 Evening 2014

*Applied Finance and Actuarial Studies*

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## General Information

Unit convenor and teaching staff

Unit Convenor

Damian Bridge

[Damian.Bridge@mq.edu.au](mailto:Damian.Bridge@mq.edu.au)

Contact via [Damian.Bridge@mq.edu.au](mailto:Damian.Bridge@mq.edu.au)

Please check iLearn for consultation details

Credit points

4

Prerequisites

ACST603 or AFIN858 or (admission to MActPrac or MCom or MEc or MIntBus prior to 2011) or (admission to MIntRelMIntComTrdeComLaw or MIntTrdeComLaw or PGDipIntTrdeComLaw or PGCertIntTrdeComLaw)

Corequisites

Co-badged status

Unit description

This unit is concerned with the analytical techniques of international finance and investment. Topics include global flow of funds and international financial markets, foreign exchange markets, interest parity, arbitrage and currency speculation, purchasing power parity, real effective exchange, commodity swaps, short and long-term hedging of foreign currency risks, futures and options in currencies.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

Understand and appreciate changes in the global financial market that impact on international financial management.

Demonstrate an understanding of new investment techniques, markets and risk management models.

Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Assessment Tasks

Name	Weighting	Due
<u>Quizzes</u>	10%	Please refer to ilearn.
<u>Class Test</u>	20%	Week Beginning 7th April
<u>Assignment</u>	30%	Various
<u>Final Exam</u>	40%	Exam Time

### Quizzes

Due: **Please refer to ilearn.**

Weighting: **10%**

Students will be assigned a set of multiple choice question each week to be completed online through iLearn.

This includes 10 weekly quizzes worth a total of 10% of your final grade.

Please check iLearn for relevant due dates.

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

### Class Test

Due: **Week Beginning 7th April**

Weighting: **20%**

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Assignment

Due: **Various**

Weighting: **30%**

This will be a group assignment.

Each group must consist of between 4 and 6 members.

Extension

No extensions will be granted. Late tasks will be accepted up to 72 hours after the submission deadline. There will be a deduction of 20% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 40% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Final Exam

Due: **Exam Time**

Weighting: **40%**

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.

- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Delivery and Resources

### CLASSES

- Students should attend one 3 hour class per week.
- The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

### PRIZES

- Prizes for this unit (if applicable). [http://www.businessandconomics.mq.edu.au/undergraduate\\_degrees/prizes\\_scholarships](http://www.businessandconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships)

### REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

- International Financial Management: Sixth Edition Eun & Resnick, ISBN-978-0-07-803465-7, Publisher: McGraw-Hill Irwin?Copyright: 2012
- Set chapters for each topic's lecture are drawn from this text and identified in the lecture topic table below. Students should read these chapters prior to the lecture, so that they are familiar with the material to be covered. This will greatly enhance your learning experience.
- Required texts can be purchased from the Macquarie University Co-op Bookshop.

### Technology Used and Required

- Financial non-programmable calculators can be used in the unit. A financial calculator is not essential as a scientific non-programmable calculator should meet all your needs (calculation of the Internal Rate of Return (IRR) is not required in any of the assessment tasks). Note: Only non-programmable calculators without text retrieval functionality are allowed for use in the unit's assessments tasks.
- Excel or similar spreadsheeting tool will be required to complete the assignment.
- Students should have access to the internet.

### Unit Web Page

- Course material and announcements are available on the learning management system (iLearn).

## Unit Schedule

Week No.	Date (Week Beginning)	Topic	Chapters
1	3 March	Foundations of International Financial Management 1	1 & 2
2	10 March	Foundations of International Financial Management 2	3 & 4
3	17 March	The Foreign Exchange Market 1	5 & 6
4	24 March	The Foreign Exchange Market 2	7
5	31 March	Foreign Exchange Exposure	8 & 9
6	7 April	Mid Semester Examination	
7	28 April	Assignment Preparation	
8	5 May	World Financial Markets 1	11
9	12 May	World Financial Markets 2	12 & 13
10	19 May	World Financial Markets 3	14
11	26 May	Financial Management of the Multinational Firm 1	16 & 17
12	2 June	Financial Management of the Multinational Firm 2	18, 19 & 20

13	9 June	Revision	
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Note:

These dates are subject to change.

All chapters relate to the relevant chapter numbers in the prescribed textbook.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy [http://mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://mq.edu.au/policy/docs/academic_honesty/policy.html)

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy [http://mq.edu.au/policy/docs/grievance\\_management/policy.html](http://mq.edu.au/policy/docs/grievance_management/policy.html)

Disruption to Studies Policy [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html) *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student\\_conduct/](https://students.mq.edu.au/support/student_conduct/)

### Supplementary Examinations

[http://www.businessandeconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/special\\_consideration](http://www.businessandeconomics.mq.edu.au/current_students/undergraduate/how_do_i/special_consideration)

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

### Learning outcomes

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

### Assessment tasks

- Quizzes
- Class Test
- Assignment
- Final Exam



## PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

### Learning outcomes

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

### Assessment tasks

- Quizzes
- Class Test
- Assignment
- Final Exam

## PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

### Learning outcomes

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Assessment tasks

- Quizzes
- Class Test
- Assignment
- Final Exam

## Research and Practice

- This unit gives you opportunities to conduct your own research

## Changes since First Published

Date	Description
27/02/ 2014	Introduction of weekly Quizzes 10% Reduction in weight of final from 50% to 40%.