



ACCG905

CPA - Financial Risk Management

S1 Day 2013

Accounting and Corporate Governance

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	5
<u>Unit Schedule</u>	6
<u>Policies and Procedures</u>	8
<u>Graduate Capabilities</u>	10

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General Information

Unit convenor and teaching staff

Lecturer

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E4A Level 2

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Unit Convenor

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Credit points

4

Prerequisites

ACCG926 or ACCG855 or admission to MAdvProfAcc

Corequisites

Co-badged status

Unit description

This unit provides extended formal academic support for students concurrently enrolled in the Financial Risk Management unit of the CPA program. This unit provides knowledge, principles, skills and an appreciation of the treasury function in a corporate environment. It presents an overview of various aspects of treasury focusing on the identification and management of financial risks that organisations face. The unit will also address investment evaluation, the sourcing of necessary funds for an organisation, and the application of and accounting for hedge instruments.

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:

Understanding the nature of financial risk faced by corporations, other business entities and government

Recognising and controlling financial risk within an organisation's governance structure

Awareness of the nature and function of derivative financial instruments

Familiarity with the various risk management instruments and strategies used to manage interest rate, currency and commodity price risk

Appreciate the accounting concepts that apply to finance transactions

Apply the general principles of hedge accounting for financial risk management transactions

Assessment Tasks

Name	Weighting	Due
<u>1. Class Test 1</u>	25%	Week 5
<u>2. Class test 2</u>	25%	Week 10
<u>3. Assignment</u>	20%	Weeks 9 and 12
<u>4. Final Examination</u>	30%	3 May 2013

1. Class Test 1

Due: **Week 5**

Weighting: **25%**

Open book of up to 50 multiple choice questions covering modules 1 to 4.

Submission The test will be conducted during class time and submitted directly to the lecturer

Extension No extensions will be granted ie there will be no supplementary tests

Penalties Students who do not sit the class test(s) in their designated class will be awarded a mark of zero (0) for the task, except in cases in which an application for special consideration is made AND approved.

On successful completion you will be able to:

- Understanding the nature of financial risk faced by corporations, other business entities and government
- Recognising and controlling financial risk within an organisation's governance structure
- Awareness of the nature and function of derivative financial instruments

2. Class test 2

Due: **Week 10**

Weighting: **25%**

Open book of up to 50 multiple choice questions covering modules 5 to 8.

Submission The test will be conducted during class time and submitted directly to the lecturer

Extension No extensions will be granted ie there will be no supplementary tests

Penalties Students who do not sit the class test(s) in their designated class will be awarded a mark of zero (0) for the task, except in cases in which an application for special consideration is made AND approved.

On successful completion you will be able to:

- Recognising and controlling financial risk within an organisation's governance structure
- Awareness of the nature and function of derivative financial instruments
- Familiarity with the various risk management instruments and strategies used to manage interest rate, currency and commodity price risk
- Appreciate the accounting concepts that apply to finance transactions
- Apply the general principles of hedge accounting for financial risk management transactions

3. Assignment

Due: **Weeks 9 and 12**

Weighting: **20%**

A research paper will be written as a team-based task. This will be in the form of a business report with each team allocated a different company to assess relevant financial risks and provide recommended risk management approaches. The written report will be worth 15% and the "Board presentation" explaining the recommendations in the written report will be worth 5% (individually) of the total 20% marks allocated to this task.

Submission The written assignment will be given to the lecturer in class in week 9. The presentation will be given in week 12 after the CPA exam.

Extension No extensions will be granted, the tasks must be completed as above.

Penalties Teams who do not submit their assignment on time will lose 5%. An individual who does not present with their team will lose their 5%.

On successful completion you will be able to:

- Understanding the nature of financial risk faced by corporations, other business entities and government

- Recognising and controlling financial risk within an organisation's governance structure
- Awareness of the nature and function of derivative financial instruments
- Familiarity with the various risk management instruments and strategies used to manage interest rate, currency and commodity price risk

4. Final Examination

Due: **3 May 2013**

Weighting: **30%**

Exam provided by CPA.

Submission/ Extension /Penalties The examination will be held under the rules and conditions of CPA Australia

To pass this unit students must:

- satisfactorily attempt ALL assessment tasks
- achieve a PASS in the CPA exam (30% of overall marks)
- achieve a PASS (more than 50% of assessment) in the Macquarie University (70% components)

On successful completion you will be able to:

- Awareness of the nature and function of derivative financial instruments
- Familiarity with the various risk management instruments and strategies used to manage interest rate, currency and commodity price risk

Delivery and Resources

Classes

- The unit involves 3 hours face-to-face teaching per week consisting of a seminar
- The timetable for classes can be found on the University web page at:
<http://www.timetables.mq.edu.au/>
- To avoid overcrowding issues, you are required to attend your allocated lecture. Please do not attend a class if you are not enrolled in it.

Required and recommended texts and/or Materials

- CPA program: CPA Financial Risk Management, Deakin University, Geelong, 6th Edition January 2013
- Other references are given in each of the 8 modules of the CPA manual

Technology Used and Required

- Students must be familiar with the learning management system ilearn.
- Students are required to conduct their own research and need to be familiar with Internet search engines and library databases.

Unit Web Page

- Course material is available on the learning management system (ilearn). It is essential to visit the unit web page regularly. Unit outline, announcements, supplementary reading materials, lecture notes, and assessments are available to access and/or download via the web page.
- The web page for this unit can be found at: <http://ilearn.mq.edu.au>. To access the web page you need to enter your username and password. You should IThelpdesk if you need any assistance.

Learning and Teaching Activities

In the lecture, you will be given practical explanations and examples to supplement the CPA materials. For every week, you are expected to read both the relevant module in the CPA manual as described in the Unit Schedule and the lecture notes. Lecture slides in pdf format will be available on the unit web page on a weekly basis. It is suggested that you bring a copy of the lecture slides to each class and make any additional notes you think are important.

Unit Schedule

Lecture	Week commencing	Topic
1	11 February	Module 1, <i>Introduction to Financial Risk Management</i>
2	18 February	Module 2, <i>Sourcing & Management of Debt & Equity Funds</i>

3	25 February	Module 3, <i>Investment Evaluation & Capital Structure</i>
4	4 March	Module 4, <i>Derivatives</i>
5	11 March	1st Test (modules 1 to 4) Module 5A, <i>Introduction to Accounting for Derivatives</i>
6	18 March	Module 5B, <i>Accounting for Hedge Relationships</i>
7	25 March	Module 6, <i>Interest Rate Risk Management</i>
8	1 April	Module 7, <i>Foreign Exchange & Commodity Risk Management</i>
9	8 April	Assignment due (to be handed to lecturer in class) Module 8, <i>Controlling Risks</i>
10	15 April	2nd Test (modules 5 to 8) and revision

11	22 April	Exam results and revision
		<i>CPA Exams {FRM 3 May}</i>
12	13 May	<i>Presentations</i>

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://www.mq.edu.au/policy/docs/academic_honesty/policy.html

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

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

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

Grievance Management Policy http://mq.edu.au/policy/docs/grievance_management/policy.html

Special Consideration Policy http://www.mq.edu.au/policy/docs/special_consideration/policy.html

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

Academic Honesty

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

Grades

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

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

Grading Appeals

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals/

Special Consideration Policy

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at:

http://www.mq.edu.au/policy/docs/special_consideration/policy.html

Student Support

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at: <http://students.mq.edu.au/support/>

UniWISE provides:

- Online learning resources and academic skills workshops http://www.students.mq.edu.au/support/learning_skills/
- Personal assistance with your learning & study related questions.
- The Learning Help Desk is located in the Library foyer (level 2).
- Online and on-campus orientation events run by Mentors@Macquarie.

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

Details of these services can be accessed at <http://www.student.mq.edu.au/ses/>.

IT Help

If you wish to receive IT help, we would be glad to assist you at <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 and it outlines what can be done.

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

- Understanding the nature of financial risk faced by corporations, other business entities and government
- Recognising and controlling financial risk within an organisation's governance structure
- Awareness of the nature and function of derivative financial instruments
- Familiarity with the various risk management instruments and strategies used to manage interest rate, currency and commodity price risk
- Appreciate the accounting concepts that apply to finance transactions
- Apply the general principles of hedge accounting for financial risk management transactions

Assessment task

- 3. Assignment

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

- Recognising and controlling financial risk within an organisation's governance structure
- Familiarity with the various risk management instruments and strategies used to manage interest rate, currency and commodity price risk
- Apply the general principles of hedge accounting for financial risk management transactions

Assessment tasks

- 1. Class Test 1
- 2. Class test 2
- 3. Assignment
- 4. Final Examination

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

- Recognising and controlling financial risk within an organisation's governance structure
- Apply the general principles of hedge accounting for financial risk management transactions

Assessment tasks

- 1. Class Test 1
- 2. Class test 2
- 3. Assignment
- 4. Final Examination