



# ACCG905

## CPA - Financial Risk Management

MQC S2 Evening 2014

*Dept of Accounting & Corporate Governance*

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## General Information

Unit convenor and teaching staff

Unit Convenor

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Contact via [charles.koh@mqc.edu.au](mailto:charles.koh@mqc.edu.au)

By appointment or in class

Moderator

Meiting Lu

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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:

Identify financial risks that companies face

Explain derivatives and other hedging techniques

Formulate strategies to manage financial risks

Apply accounting standards for recording transactions

Implement controls to safeguard against loss

## Assessment Tasks

Name	Weighting	Due
<u>Class test 1</u>	25%	Week 5
<u>Class test 2</u>	25%	Week 10
<u>Report</u>	20%	Weeks 9 and 12
<u>Final examination</u>	30%	24/10/14

### Class test 1

Due: **Week 5**

Weighting: **25%**

Open book test with 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 not be any supplementary tests.

**Penalties** Students who do not sit the class test(s) in their designated class will be awarded a zero (0) mark

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:

- Identify financial risks that companies face
- Explain derivatives and other hedging techniques

### Class test 2

Due: **Week 10**

Weighting: **25%**

Open book test with 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 not be any supplementary tests.

**Penalties** Students who do not sit the class test(s) in their designated class will be awarded a zero (0) mark

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:

- Explain derivatives and other hedging techniques
- Formulate strategies to manage financial risks
- Apply accounting standards for recording transactions
- Implement controls to safeguard against loss

## Report

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. Your team will assess the relevant financial risks and provide suitable risk management approaches. The report will be worth 15% and presentation an additional 5% of the total 20% allocated to this task.

**Submission** The written report will be given to the lecturer in class in week 9. The presentation will be given in class in week 12.

**Extension** No extensions will be granted, the task 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:

- Identify financial risks that companies face
- Explain derivatives and other hedging techniques
- Formulate strategies to manage financial risks

## Final examination

Due: **24/10/14**

Weighting: **30%**

Exam required by CPA. Obtain at least a PASS assessment in the CPA external examination. Note that if you do NOT pass the CPA Australia exam then you cannot attain a pass in this unit in this session.

**Submission/Extension/Penalties** The examination will be conducted under the rules and conditions as set out by CPA Australia.

On successful completion you will be able to:

- Identify financial risks that companies face
- Explain derivatives and other hedging techniques
- Formulate strategies to manage financial risks
- Apply accounting standards for recording transactions
- Implement controls to safeguard against loss

## 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, 8th Edition January 2014 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 ask IThelpdesk if you need any assistance.

## Unit Schedule

Week	Date	Topic
1	5 August	Module 1, <i>Introduction to Financial Risk Management</i>
2	12 August	Module 2, <i>Sourcing &amp; Management of Debt &amp; Equity Funds</i>
3	19 August	Module 3, <i>Investment Evaluation &amp; Capital Structure</i>

4	26 August	Module 4, <i>Derivatives</i>
5	2 September	1st Test (Modules 1 to 4) Module 5, <i>Interest Rate Risk Management</i>
6	9 September	Module 6, <i>Foreign Exchange &amp; Commodity Risk Management</i>
7	16 September	Module 7A, Accounting for Derivatives
8	23 September	Module 7B, Accounting for Hedge Relationships
9	30 September	<b>Assignment due</b> (to be handed to lecturer in class) Module 8, <i>Controlling Risks</i>
10	7 October	2nd Test (modules 5 to 8) and <b>revision</b>
11	14 October	Exam results and revision
		CPA Exams {FRM 24 October}
12	28 October	<i>Presentations</i>

## Learning and Teaching Activities

### Lecture Slides

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.

### 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/)

### 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 - 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

- Identify financial risks that companies face
- Explain derivatives and other hedging techniques
- Formulate strategies to manage financial risks
- Apply accounting standards for recording transactions
- Implement controls to safeguard against loss

### Assessment tasks

- Class test 1
- Class test 2
- Report
- 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

- Identify financial risks that companies face
- Explain derivatives and other hedging techniques
- Formulate strategies to manage financial risks

### Assessment tasks

- Class test 1
- Class test 2
- Report
- Final examination

## PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

### Learning outcomes

- Identify financial risks that companies face
- Explain derivatives and other hedging techniques
- Formulate strategies to manage financial risks

### Assessment task

- Report

## Research and practice

This unit gives you opportunities to conduct your own research and gives you practice in applying research findings in your assessment tasks.

Research required for this unit will be the investigation of companies that have reported financial issues as raised in class, as well as a thorough review of the company allocated for your team-based assignment.

Students will be required to use library resources to research beyond these materials in undertaking research necessary to complete their tasks. The unit materials have a reference list at the end of each chapter/module/text containing all references cited by the author. These provide some guidance to references that could be used to research particular issues.