



ACCG905

CPA - Financial Risk Management

S2 Day 2015

Dept of Accounting & Corporate Governance

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General Information

Unit convenor and teaching staff

Convenor

Garry Morris

garry.morris@mq.edu.au

Contact via via email

E4A level 2

Friday 5 pm

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:

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

General Assessment Information

Student Expectations and Workload

	Activity	Hours
1	Weekly seminars	36
2	Class test 1	9
3	Class test 2	9
4	Report	25
5	Final examination	18
6	Readings/self study	53
	Total	150

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%	10 to 18 October

Class test 1

Due: **Week 5**

Weighting: **25%**

Open book test with up to 50 multiple choice questions covering topics in modules 1 to 4. The topics include an introduction to financial risk management; the management of liquidity, debt and equity; investment evaluation and capital structure; as well as derivatives.

Submission The test will be conducted during class time and submitted directly to the lecturer in week 5.

Extension No extensions will be granted unless the Disruption to Studies Policy is followed.

Penalties Students who do not complete the test will be awarded a zero mark unless the

Disruption to Studies Policy is followed.

Marking criteria Your mark will be based on the accuracy of your answers.

On successful completion you will be able to:

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

Class test 2

Due: **Week 10**

Weighting: **25%**

Open book test with up to 50 multiple choice questions covering topics in modules 5 to 8. The topics include interest rate risk management; foreign exchange and commodity risk management; accounting for derivatives and hedge relationships; as well as controlling risks.

Submission The test will be conducted during class time in week 10 lecture and submitted directly to the lecturer.

Extension No extensions will be granted unless the Disruption to Studies Policy is followed.

Penalties Students who do not complete the test will be awarded a zero mark unless the Disruption to Studies Policy is followed.

Marking criteria Your mark will be based on the accuracy of your answers.

On successful completion you will be able to:

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

Report

Due: **Weeks 9 and 12**

Weighting: **20%**

A research paper will be written as part of a group. Groups will be formed in week 2. The submission will be in the form of a business report with each group allocated a different publicly listed company. Your group will identify the relevant financial risks and recommend suitable risk management approaches. The written report will be worth 15% of your marks with an additional 5% for your presentation.

Submission The written report will be handed to your lecturer in class in week 9. Each group will also provide a contribution sheet that shows what each group member contributed to the report and their percentage contribution. Your presentation will be given in class in week 12 after the CPA exam.

Extension No extensions will be granted unless the Disruption to Studies Policy is followed.

Penalties 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 marks 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.

Marking criteria Your mark will be based on your interpretation and solution to the risks that your allocated company faces, as well as the way in which you present your report and your communication skills when delivering your presentation.

On successful completion you will be able to:

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

Final examination

Due: **10 to 18 October**

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 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.

Marking criteria Your mark will be based on the accuracy of your answers.

On successful completion you will be able to:

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

Delivery and Resources

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.

Required unit materials and/or recommended readings CPA program: CPA Financial Risk Management, Deakin University, Geelong, revised January 2015. Other references are given at

the end of each of the 8 modules in the CPA manual.

Requirement to complete the unit satisfactorily You will be expected to attend 3 hours of face-to-face lectures/tutorials each week. You will also need to satisfactorily complete 2 class tests online as well as a team-based research project. These tasks will require at least 50% or 35 of the allocated 70 marks for the *internal* Macquarie University component of this unit. In addition you need to achieve at least a PASS in the CPA external exam.

Timetable The timetable for classes can be found on the University webpage <http://timetables.mq.edu.au>

Unit Schedule

Week	Date	Topic
1	30 July	Module 1, <i>Introduction to Financial Risk Management</i>
2	6 August	Module 2, <i>Management of Liquidity, Debt & Equity</i>
3	13 August	Module 3, <i>Investment Evaluation & Capital Structure</i>
4	20 August	Module 4, <i>Derivatives</i>
5	27 August	1 st Test (Modules 1 to 4) Module 5, <i>Interest Rate Risk Management</i>
6	3 September	Module 6, <i>Foreign Exchange & Commodity Risk</i>

7	10 September	Module 7A, <i>Accounting for Derivatives</i>
8	17 September	Module 7B, <i>Accounting for Hedge Relationships</i>
9	24 September	Assignment due (to be handed to lecturer in class) Module 8, <i>Controlling Risks</i>
10	1 October	2nd Test (modules 5 to 8) and revision
11	8 October	Exam results and revision
		CPA Exams {10 to 18 October}
12	22 October	<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://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

Disruption to Studies Policy 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/

Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au.

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) 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

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

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

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

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

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

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

Assessment tasks

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

Research & Practice, Global & Sustainability

This unit addresses global and sustainability issues as direct areas of study and as necessary implications arising from the materials, assessment and academic discussion and debate in classes. We promote sustainability by developing ability in students to research and locate information within the accounting discipline as it relates to a company's financial situation. We aim to provide students with an opportunity to obtain skills which will benefit them throughout their career.

The unit materials have a reference list at the end of each module containing all references cited by the various authors. These provide some guidance to references that could be used to research particular issues.