



# AFIN867

## International Financial Management

S2 External 2015

*Dept of Applied Finance and Actuarial Studies*

### Contents

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|   |    |
|---|----|
| <a href="#"><u>General Information</u></a>            | 2  |
| <a href="#"><u>Learning Outcomes</u></a>              | 2  |
| <a href="#"><u>General Assessment Information</u></a> | 2  |
| <a href="#"><u>Assessment Tasks</u></a>               | 3  |
| <a href="#"><u>Delivery and Resources</u></a>         | 5  |
| <a href="#"><u>Unit Schedule</u></a>                  | 6  |
| <a href="#"><u>Policies and Procedures</u></a>        | 7  |
| <a href="#"><u>Graduate Capabilities</u></a>          | 8  |
| <a href="#"><u>Changes from Previous Offering</u></a> | 10 |
| <a href="#"><u>Research and Practice</u></a>          | 10 |

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#### **Disclaimer**

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## General Information

|   |
|---|
| Unit convenor and teaching staff<br>Unit Convenor<br>Damian Bridge<br>Please check iLearn for consultation details  |
| Credit points<br>4  |
| Prerequisites<br>ACST603 or AFIN858 or (admission to MIntRelMIntComTrdeComLaw or MIntTrdeComLaw or PGDipIntTrdeComLaw or PGCertIntTrdeComLaw)   |
| Corequisites  |
| Co-badged status  |
| Unit description<br>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.

## General Assessment Information

It is the responsibility of students to view their marks for each within session assessment on

iLearn within 20 working days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment tasks (not including the final exam mark) will not be addressed.

## Assessment Tasks

| Name                | Weighting | Due                     |
|---------------------|-----------|-------------------------|
| <u>Quizzes</u>      | 10%       | Please refer to ilearn. |
| <u>Presentation</u> | 10%       | Please refer to ilearn. |
| <u>Assignment</u>   | 20%       | Please refer to ilearn  |
| <u>Final Exam</u>   | 60%       | Saturday 7th November   |

### Quizzes

Due: **Please refer to ilearn.**

Weighting: **10%**

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

This includes 5 quizzes (2% each).

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.

Where special consideration is granted the final mark will be based on the relevant average.

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.

### Presentation

Due: **Please refer to ilearn.**

Weighting: **10%**

This is a group assignment.

This requires the creation of a group presentation in powerpoint (but not presenting it).

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: **Please refer to ilearn**

Weighting: **20%**

This will be a group assignment as well as a individual component requiring the participation in discussion boards.

Please be aware that this assignment requires weekly participation in the later half of the semester.

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: **Saturday 7th November**

Weighting: **60%**

Online open book examination.

There will be a window for students to sit the exam. The exam will be two hours duration. Once the exam is started it must be completed.

To be eligible to pass this unit, a pass is required in the final examination

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

**Students should study the online resources contained within iLearn.**

- Students should review the study plan suggestions in iLearn.

### 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: 7th Edition Eun & Resnick, Publisher: McGraw-Hill Irwin Copyright
- 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

| Subject | Topic   | Chapters |
|---------|---|----------|
| 1       | Foundations of International Financial Management 1 | 1 & 2    |
| 2       | Foundations of International Financial Management 2 | 3 & 4    |
| 3       | The Foreign Exchange Market 1                       | 5 & 6    |
| 4       | The Foreign Exchange Market 2                       | 7        |
| 5       | Foreign Exchange Exposure                           | 8 & 9    |
| 6       | World Financial Markets 1                           | 11       |
| 7       | World Financial Markets 2                           | 12 & 13  |
| 8       | World Financial Markets 3                           | 14       |
| 9       | Financial Management of the Multinational Firm 1    | 16 & 17  |

|    |  |             |
|----|--|-------------|
| 10 | Financial Management of the Multinational Firm 2 | 18, 19 & 20 |
|    |  |             |

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/)

## 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](http://ask.mq.edu.au).

## Supplementary Examinations

Further information regarding supplementary exams, including dates, is available here: [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



- Presentation
- 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
- Presentation
- 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
- Presentation
- Assignment
- Final Exam

## **Changes from Previous Offering**

Nil

## **Research and Practice**

- This unit gives you opportunities to conduct your own research