



ACCG905

CPA - Financial Risk Management

S2 Day 2016

Dept of Accounting & Corporate Governance

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General Information

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Credit points

4

Prerequisites

ACCG907 and ACCG908 and ACCG913

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 financial loss

Identify financial risks that companies face and formulate strategies to manage financial risks

Explain derivatives and other hedging techniques

Demonstrate effective business communication and teamwork skills

Apply accounting standards for recording financial transactions

General Assessment Information

It is expected that students will attend all classes with the following workload:

| | |
|---------------------|------------------|
| Weekly seminars | 36 hours |
| Class test 1 | 9 hours |
| Class test 2 | 9 hours |
| Research report | 25 hours |
| Final examination | 18 hours |
| Readings/self study | 53 hours |
| Total | 150 hours |

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 7 and 11 |
| <u>Final examination</u> | 30% | 15 October to 30 October |

Class test 1

Due: **Week 5**

Weighting: **25%**

Open book test with up to 50 multiple choice questions covering topics 1 to 4.

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:

- Identify financial risks that companies face and formulate strategies to manage financial risks
- 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 topics 5 to 8.

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

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 financial loss
- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Apply accounting standards for recording financial transactions

Report

Due: **Weeks 7 and 11**

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 10% of your marks with an additional 10% for your individual presentation.

Submission An initial outline giving background information about your Company and its financial risks will be submitted in week 7 to your lecturer in class. The final report will be handed to your lecturer in class in week 11. Each group will provide a contribution sheet identifying the parts of the report completed by each member of the group. This will form the basis of allocating marks to each member for the written report. A group presentation will be given in week 11 after the CPA exam and each student will be awarded a mark for their individual presentation.

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 10% of the total available marks from the total awarded for each 24 hour period or part thereof that the submission is late. As an example, if the report is submitted 25 hours late, then there will be a 20% penalty. This penalty does not apply if the Disruption to Studies Policy is followed.

Marking criteria Your mark will be based on the demonstrated understanding of your allocated company's financial risks and the appropriateness of your recommendations to manage these exposures. Consideration will be given to each student's contribution to the written report and their individual presentation.

On successful completion you will be able to:

- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Demonstrate effective business communication and teamwork skills

Final examination

Due: **15 October to 30 October**

Weighting: **30%**

Exam required and set by CPA. Obtain at least a PASS assessment by CPA. Note if you do NOT pass the CPA exam 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 financial loss
- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Apply accounting standards for recording financial transactions

Delivery and Resources

Technology used and required Students must be familiar with the learning management system iLearn. Students will require access to a computer to conduct their own research using internet search engines and library databases.

Required unit materials and/or recommended readings CPA Program: CPA Financial Risk Management, Deakin University, Geelong, revised January 2016. Other references are given at the end of each module in the CPA manual.

Requirements to complete the unit satisfactorily You will be expected to attend 3 hours of face-to-face lectures each week. You will also need to satisfactorily complete 2 class tests as well as a team-based research project. These tasks will require at least 50% of the total marks awarded or 35 in total 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 | Commencing | Topic |
|------|--------------|--|
| 1 | 8 August | Module 1, <i>Introduction to Financial Risk Management</i> |
| 2 | 15 August | Module 2, <i>Management of Liquidity, Debt & Equity</i> |
| 3 | 23 August | Module 3, <i>Investment Evaluation & Capital Structure</i> |
| 4 | 30 August | Module 4, <i>Derivatives</i> |
| 5 | 5 September | 1 st Test (Modules 1 to 4) Module 5, <i>Interest Rate Risk Management</i> |
| 6 | 12 September | Module 6, <i>Foreign Exchange & Commodity Price Management</i> |
| 7 | 19 September | Submit initial work on research project Module 7, <i>Accounting for Derivatives & Hedge Relationships</i> |

| | | |
|----|--------------|--|
| 8 | 26 September | Module 8, <i>Controlling Risks</i> |
| 9 | 3 October | 2 nd Test (Modules 5 to 8) |
| 10 | 10 October | Test results and revision |
| | | CPA Exams {15 to 30 October} |
| 11 | 31 October | Self study week to prepare written report and presentation |
| 12 | 7 November | Presentations and research project submitted in class |

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

New Assessment Policy in effect from Session 2 2016 http://mq.edu.au/policy/docs/assessment/policy_2016.html. For more information visit http://students.mq.edu.au/events/2016/07/19/new_assessment_policy_in_place_from_session_2/

Assessment Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/grading/policy.html>

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

Complaint Management Procedure for Students and Members of the Public http://www.mq.edu.au/policy/docs/complaint_management/procedure.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://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources 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 financial loss
- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Apply accounting standards for recording financial transactions

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 and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques

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 and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Demonstrate effective business communication and teamwork skills

Assessment tasks

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