



AFIN867

International Financial Management

AFC Term 1 NR 2017

Dept of Applied Finance and Actuarial Studies

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General Information

Unit convenor and teaching staff Unit Convenor Damian Bridge Contact via Please contact via ILearn Please check iLearn for consultation details
Credit points 4
Prerequisites ACST603 or AFIN858
Corequisites
Co-badged status
Unit description 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.

To apply teamwork skills to attain effective and professional group outcomes.

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 marks (not including the final exam mark) will not be addressed.”

Assessment criteria for all assessments tasks will be provided on the unit iLearn site.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Assignment</u>	20%	No	Various
<u>Class Test</u>	20%	No	31 January 2017
<u>Quizzes</u>	10%	No	Refer to iLearn
<u>Final Exam</u>	50%	No	16 February 2017

Assignment

Due: **Various**

Weighting: **20%**

No extensions will be granted. There will be a deduction of 10% 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 – 20% penalty). This penalty does not apply for cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

This assessment is composed of two parts.

The first part requires you to work in a group to prepare a detailed outline of a presentation topic that you intend to present on. This should be no longer than 500 words. Detailed feedback will be provided. The detailed outline requires detailed information on the topic, reasons for undertaking the topic, references and detailed outline of what you will present. Marks will be awarded based on this criteria. The material must relate to topics covered in the semester and relate to a real life examples of the content of the course and explain it in necessary detail. This is worth 10%. The initial topic needs to be approved by the lecturer. This is due 25th January at 12 Noon.

You will be expected to present on this topic, on a date selected by your lecturer, taking into account the feedback from the project submission. Each student will need to present and will be given a separate presentation mark. This is worth 10%. Presentations will take place between the 1st February 2017 and 14th February 2017.

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.
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- To apply teamwork skills to attain effective and professional group outcomes.

Class Test

Due: **31 January 2017**

Weighting: **20%**

The class test will be held in lectures and include written and or multiple choice style questions.

There will be no supplementary test.

Students who have applied for special consideration and it has been approved will receive a verbal examination by two staff members.

You are permitted ONE A4 page of paper containing reference material written on one side. The material must be handwritten. The page will not be returned at the end of the examination.

More details regarding the exam will be made on iLearn closer to the exam date.

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.

Quizzes

Due: **Refer to iLearn**

Weighting: **10%**

There shall be one early semester quiz worth 5%. Please use this assessment task as an indicator of whether you are progressing satisfactorily in the unit. If you are having difficulties, please see the Unit Convenor and consider withdrawing before the census date.

There are also four other quizzes worth 1.25% each (5% total)

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. In this case the average score will be awarded.

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: **16 February 2017**

Weighting: **50%**

You are permitted ONE A4 page of paper containing reference material written on one side. The material must be handwritten. The page will not be returned at the end of the examination.

The final exam will consist of an invigilated online exam.

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

Classes

- Students should attend one 3 hour class per week.
- The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

Prizes

- Prizes for this unit (if applicable). 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

Week No.	Date (Week Beginning)	Topic	Chapters
1	11 January	Foundations of International Financial Management 1	1 & 2
2	12 January	Foundations of International Financial Management 2	3 & 4
3	17 January	The Foreign Exchange Market 1	5 & 6
4	18 January	The Foreign Exchange Market 2	7
5	19 January	Foreign Exchange Exposure	8 & 9
6	31 January	Mid Semester Exam	

7	1 February	World Financial Markets 1	11
8	2 February	World Financial Markets 2	12 & 13
9	8 February	World Financial Markets 3	14
10	9 February	Financial Management of the Multinational Firm 1	16 & 17
11	14 February	Financial Management of the Multinational Firm 2	18, 19 & 20
12	15 February	Revision	
13	16 February	Final Exam	

Note:

These dates are subject to change.

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

Assessment Policy http://mq.edu.au/policy/docs/assessment/policy_2016.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 (in effect until Dec 4th, 2017): http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

Special Consideration Policy (in effect from Dec 4th, 2017): <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>

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 - 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

- Assignment
- Class Test
- Quizzes
- 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

- Assignment
- Class Test
- Quizzes
- 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.
- To apply teamwork skills to attain effective and professional group outcomes.

Assessment tasks

- Assignment
- Class Test
- Quizzes
- Final Exam

Changes from Previous Offering

Adjustment of assessment weights.

Research and Practice

- This unit gives you opportunities to conduct your own research

Changes since First Published

Date	Description
02/01/2017	Updated unit schedule.