



# ACCG905

## CPA - Financial Risk Management

S1 Evening 2018

*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 an 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 also addresses 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 and formulate strategies to manage financial risks

Explain derivatives and other hedging techniques

Apply accounting standards for recording financial transactions

Implement controls to safeguard against financial loss

Demonstrate effective business communication and teamwork skills

## 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
<b>Total</b>	<b>150 hours</b>

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#"><u>Class test 1</u></a>	25%	No	Week 5
<a href="#"><u>Class test 2</u></a>	25%	No	Week 9
<a href="#"><u>Report</u></a>	20%	No	Weeks 7, 12 and 13
<a href="#"><u>Final examination</u></a>	30%	No	14 to 29 April

### 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 Special Consideration is sought.

**Penalties** Students who do not complete the test will be awarded a zero mark unless Special Consideration is approved.

**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 9**

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 9.

**Extension** No extensions will be granted unless Special Consideration is sought.

**Penalties** Students who do not complete the test will be awarded a zero mark unless Special Consideration is approved.

**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
- Apply accounting standards for recording financial transactions
- Implement controls to safeguard against financial loss

## Report

Due: **Weeks 7, 12 and 13**

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 12. 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 12, and if necessary week 13 after the CPA exam and each student will be awarded a mark for their individual presentation.

**Extension** No extensions will be granted unless Special Consideration is sought.

**Penalties** 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 Special Consideration is approved. No submissions will be accepted after solutions have been posted.

**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: **14 to 29 April**

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:

- 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
- Implement controls to safeguard against financial loss

## 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 2018. 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	Date	Topic
1	1 February	Module 1, <i>Introduction to Financial Risk Management</i>
2	8 February	Module 2, <i>Management of Liquidity, Debt &amp; Equity</i>
3	15 February	Module 3, <i>Investment Evaluation &amp; Capital Structure</i>
4	22 February	Module 4, <i>Derivatives</i>
5	1 March	1 <sup>st</sup> Test (Modules 1 to 4) Module 5, <i>Interest Rate Risk Management</i>

6	8 March	Module 6, <i>Foreign Exchange &amp; Commodity Price Management</i>
7	15 March	<i>Submit initial work on research project</i> Module 7, <i>Accounting for Derivatives &amp; Hedge Relationships</i>
8	22 March	Module 8, <i>Controlling Risks</i>
9	29 March	<i>2<sup>nd</sup> Test (Modules 5 to 8)</i>
10	5 April	<i>Test results and revision</i>
11	12 April	<i>Revision</i>
		<i>CPA Exams {14 to 29 April}</i>
12	3 May	<i>Presentations and research project submitted in class</i>
13	10 May	<i>Additional presentations if required</i>

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)

- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/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).

## 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://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](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

- 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
- Implement controls to safeguard against financial 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 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

## 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/seminars. We promote sustainability by developing ability in students to research and locate information within accounting discipline. We aim to provide students with an opportunity to obtain skills which will benefit them throughout their career. This unit gives you opportunities to understand the current practice and research in Financial Risk Management. The unit materials have a reference list at the end of each module containing all references cited by the author. These provide some guidance to references that could be used to research particular

issues.