



AFIN828

International Investment and Risk

S2 Day 2019

Department of Applied Finance

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	6
<u>Unit Schedule</u>	6
<u>Policies and Procedures</u>	7
<u>Graduate Capabilities</u>	9
<u>Research and Practice</u>	10

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General Information

Unit convenor and teaching staff

Unit Convenor

Georgina Ge

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See iLearn

Credit points

4

Prerequisites

ACST603 or AFIN858 or MGNT603 or MGNT808

Corequisites

Co-badged status

Unit description

This is an advanced-level unit concentrating on various techniques in investment and financial risk management. Topics include the analysis of risk and return, financial derivatives, international bond markets, dependence modelling, banking regulations, managing market, credit, operational risk and economic capital. A strong emphasis is placed upon developing a rigorous analytical skill-base which can then be applied to real-world issues in the financial industry.

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:

Develop advanced and integrated understanding of the theory and practice of international investment

Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management

Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector

Encourage peer learning, peer support and collaborative work in implementing international investment strategy

General Assessment Information

- To provide **early feedback**, you are to complete a self-assessment online quiz to be released in late Week 3. Use this quiz 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. Your score on the quiz will not count towards your grade.
- It is the responsibility of students to view their marks for each within session assessment on iLearn within 10 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 assessment tasks will be provided on the unit iLearn site.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Class Test</u>	20%	No	Week 8
<u>Group Case Study</u>	20%	No	Week 12
<u>Final Exam</u>	60%	No	Examination Period

Class Test

Due: **Week 8**

Weighting: **20%**

Task Description:

This will be an invigilated in-class test. Further details will be provided on the unit iLearn website.

Type of Collaboration:

Individual

Submission:

In class

Format:

Refer to ilearn

Length:

1 hour (with no separate reading time)

Inherent Task Requirements:

Refer to iLearn

Late Submission:

No extensions will be granted. Students who do not sit the test 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:

- Develop advanced and integrated understanding of the theory and practice of international investment
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Group Case Study

Due: **Week 12**

Weighting: **20%**

Task Description:

Students will be required to carry out research in a group of 3-4 students. Students complete a major assignment on a topical issue in International Investment and Risk chosen by the convenor. Further details will be provided via iLearn.

The project is a group task with 50% of the marks allocated to individual performance.

Type of Collaboration:

Group

Submission:

The project must be submitted via the unit iLearn website.

Format:

Refer to iLearn

Length:

Refer to iLearn

Inherent Task Requirements:

Refer to iLearn

Late Submission:

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 Special Consideration is made and approved. No submission will be accepted after solutions have been posted.

On successful completion you will be able to:

- Develop advanced and integrated understanding of the theory and practice of international investment
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Final Exam

Due: **Examination Period**

Weighting: **60%**

Task Description:

The exam will cover all topics taught across the entire unit. Further details will be provided on the unit iLearn website.

You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page will not be returned to you at the end of the final examination.

Non-programmable calculators are allowed, provided that they are not capable of storing text.

Type of Collaboration:

Individual

Submission:

During examination period

Format:

Refer to ilearn

Length:

2 hours (plus 10 minutes reading time)

Inherent Task Requirements:

Refer to iLearn

Late Submission:

No extensions will be granted. Students who do not sit the test 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:

- Develop advanced and integrated understanding of the theory and practice of international investment
- Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
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Delivery and Resources

Classes

The weekly three hour class time for this unit consists of a two hour seminar and a one hour workshop.

Timetables

All students are required to attend their timetabled classes. The timetable for classes can be found on the University web site <http://www.timetables.mq.edu.au/>

Recommended Text

- Hull, J. (2018) Risk Management and Financial Institutions, 5th Edition, Wiley. This book can be purchased from the Macquarie University Co-op Bookshop. We may supplement the text with readings from journals and other textbooks as required.

Technology Used and Required

- Internet access
- Access to iLearn
- Software for analysing portfolio risks and returns.

Unit Schedule

Week	Topic
1	International investment

2	Currency risk and hedging
3	Practical issues in international investing
4	Performance evaluation of global portfolios
5	Modelling volatility
6	Modelling correlation and copulas
7	Value-at-Risk, Expected Shortfall and Historic Simulation
	<i>Recess</i>
8	Class Test
9	Model-building approach to Value-at-Risk and Expected Shortfall
10	Credit risk
11	Operational Risk and Economic Capital
12	Case study: presentations
13	Revision

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](#) ([http](#)

[ps://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 published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) 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 or if you are a Global MBA student contact globalmba.support@mq.edu.au

Supplementary Examination

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

http://www.businessandconomics.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) 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

If you are a Global MBA student contact globalmba.support@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 - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

Learning outcomes

- Develop advanced and integrated understanding of the theory and practice of international investment
- Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
- Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector
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Assessment tasks

- Class Test
- Group Case Study
- Final Exam

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

- Develop advanced and integrated understanding of the theory and practice of international investment

- Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
- Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector
- Encourage peer learning, peer support and collaborative work in implementing international investment strategy

Assessment tasks

- Class Test
- Group Case Study
- 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

- Develop advanced and integrated understanding of the theory and practice of international investment
- Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
- Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector
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Assessment tasks

- Class Test
- Group Case Study
- Final Exam

Research and Practice

- This unit uses research from external sources.
- This unit gives you practice in applying research findings in your assignments.

- This unit gives you opportunities to conduct your own research.