



# AFIN867

## International Financial Management

AFC Term 1 NR 2019

*Department of Applied Finance*

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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 or MGNT603 or MGNT808
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
<a href="#">Quiz</a>	0%	No	12 January 2019
<a href="#">Class Test</a>	20%	No	29 January 2019
<a href="#">Assignment</a>	20%	No	Various
<a href="#">Participation</a>	10%	No	12th February
<a href="#">Final Exam</a>	50%	No	15 February 2019

### Quiz

Due: **12 January 2019**

Weighting: **0%**

There shall be one early quiz worth 0%. 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.

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.

## Class Test

Due: **29 January 2019**

Weighting: **20%**

The class test will be held in lectures on 29 Jan 2019 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.

The class test will be of one hour duration.

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: **Various**

Weighting: **20%**

This assessment consists of two parts:

Part 1: In groups, students will be asked to prepare a video of one topic related to course content and the development of Australia as a modern financial leader/powerhouse. They are expected to be able to use real life examples of the content and explain in necessary detail. This is worth 10%. Videos will be presented in class on **1 February 2019. The lecturer will help you develop appropriate topics.**

Part 2: Each student needs to complete an individual assignment. The assignment will be based on preparing a research report on the presentation topic you selected. This is worth 10%. Assignments must be submitted online via ilearn. **This is due 9am Thursday 14th February 2019.**

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:

- 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.

## Participation

Due: **12th February**

Weighting: **10%**

Students will be expected to attend all classes and field visits and participate as required in all activities (Discussion, Discussion Forums, Field Trips). More details will be provided on iLearn.

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Final Exam

Due: **15 February 2019**

Weighting: **50%**

The final exam will consist of an invigilated online exam. The exam will be 120 minutes in length.

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 all designated classes.

### **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**

Topic No.	Class Dates and Time	Topic	Chapters
1	8 January 9am - 12 Noon	Foundations of International Financial Management 1	1, 2, 3 & 4
2	11 January 9am - 12 Noon	The Foreign Exchange Market 1	5 & 6
3	11 January 1.30pm . - 4.30pm	The Foreign Exchange Market 2	7
4	15 January 9am - 12 Noon	Foreign Exchange Exposure	8 & 9
5	18 January 9am - 12 Noon	World Financial Markets 1	11
6	18 January 1.30pm . - 4.30pm	World Financial Markets 2	12 & 13

7	29 January 9am - 12 Noon	Mid Semester Exam World Financial Markets 3	14
8	1 February 9am - 12 Noon	Financial Management of the Multinational Firm 1	16 & 17
9	1 February 1.30pm . - 4.30pm	Video Presentations	
10	5 February 9am - 12 Noon	Financial Management of the Multinational Firm 2	18 &19
11	8 February 9am - 12 Noon	Financial Management of the Multinational Firm 3	20
12	8 February 1.30pm . - 4.30pm	Final Exam Revision/Consultation	
13	12 February 9am - 12 Noon	RBA Museum Visit (Including Discussion Forum after the visit)	

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 \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](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 \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/p\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/p)

[olicy-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](http://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Supplementary exams

Information regarding supplementary exams, including dates, is available at:

[http://www.businessandconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/disruption\\_to\\_studies](http://www.businessandconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies)

## 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)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/](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

- Quiz
- Class Test
- Participation
- 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

- Class Test
- Assignment
- Participation
- 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 task

- Assignment

## 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:

### Assessment task

- Participation

## Changes from Previous Offering

Adjustments to reflect condensed summer offering.

## Research and Practice

- This unit gives you opportunities to conduct your own research