



AFCP8050

Corporate Treasury Management

AFC term 2, Weekday attendance, City 2020

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>	4
<u>Unit Schedule</u>	6
<u>Policies and Procedures</u>	8

Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

General Information

Unit convenor and teaching staff

Alison Belot

alison.belot@mq.edu.au

Contact via Email

Credit points

5

Prerequisites

ECFS867 or AFCP8004

Corequisites

Co-badged status

Unit description

This unit aims to give students an insight into treasury management for non-financial corporations. It will examine cash forecasting and liquidity management, financing, financial risk management, and managing relationships with financial institutions, ratings agencies and within the business. We consider the issues confronting the treasurer today and the changing role of treasury in today's environment. A key focus is how treasury fits within the broader corporation, understanding how and why a corporate treasury differs from financial institutions, how it can add value to the corporation and work to support broader corporate objectives.

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:

ULO1: Analyse and explain the scope of corporate Treasury responsibilities and its role within the broader corporation, and how Treasury can support the business and add value to the corporation, both as an individual and a group.

ULO2: Identify and implement appropriate strategies to manage key treasury risks, including short term liquidity, interest rate, FX and commodity price risks for a variety of time horizons.

ULO3: Understand, apply and interpret appropriate Treasury management and funding techniques to 'real world' situations.

ULO4: Critically analyse the importance of appropriate systems and governance to protect the integrity of Treasury activities.

Assessment Tasks

Coronavirus (COVID-19) Update

Assessment details are no longer provided here as a result of changes due to the Coronavirus (COVID-19) pandemic.

Students should consult [iLearn](#) for revised unit information.

[Find out more about the Coronavirus \(COVID-19\) and potential impacts on staff and students](#)

General Assessment Information

Information - Extension Requests / Penalties

Group Class Case Study (10%)

Students who do not attend receive a mark of zero. This penalty does not apply in cases where an application for Special Consideration has been made and approved.

Note: Applications for Special Consideration must be made within 5 (five) business days of the due date and time.

Refer to MAFC Program Rules at <https://mafcstudents.mq.edu.au/> for information on the University's [Special Consideration Policy](#).

Assignment (30%)

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 incurs a 20% penalty). This penalty does not apply for cases in which an application for Special Consideration is made and approved.

Late submissions will be accepted up to 96 hours after the due date and time.

Note: Applications for Special Consideration must be made within 5 (five) business days of the due date and time.

Refer to MAFC Program Rules at <https://mafcstudents.mq.edu.au/> for information on the University's [Special Consideration Policy](#).

Final Exam (60%)

You are expected to present yourself for examination at the time and place designated in the relevant MAFC Timetable at <https://www.mq.edu.au/about/about-the-university/faculties-and-departments/business/study-with-us/macquarie-applied-finance-centre/timetables>.

Deferral of an examination is not permitted unless an application for Special Consideration is made and approved.

Students who do not attend receive a mark of zero. This penalty does not apply in cases where an application for Special Consideration has been made and approved.

Note: Applications for Special Consideration must be made within 5 (five) business days of the due date and time.

Refer to MAFC Program Rules at <https://mafcstudents.mq.edu.au/> for information on the University's [Special Consideration Policy](#).

Delivery and Resources

Coronavirus (COVID-19) Update

Any references to on-campus delivery below may no longer be relevant due to COVID-19.

Please check here for updated delivery information: https://ask.mq.edu.au/account/pub/display/unit_status

CLASSES

Face-to-Face Teaching: Generally 40 hours.

Timetable: Detailed timetable for classes are on the Centre's website at www.mafc.mq.edu.au

Consultation Times:

Students who wish to contact any of the teaching staff may do so through:

- The unit's iLearn site, in relation to general queries (so that all students may benefit); or
- Individual consultation with the lecturer by email in the first instance, if necessary.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Text: Nil

Additional Readings: Unit notes and readings will be supplied, as well as case study materials for class discussion.

Lecture Notes: Available in printed form and electronically via iLearn.

Study Problems: Students are required to work systematically through suggested problem sets. These problems will not be collected but they will help you prepare for the exams. Answers to the problems will be handed out in class.

Pre-unit Materials: Nil

Useful References: Students should read financial press widely, and have a strong interest in corporate financial activity.

Calculators:

- A basic calculator would be of assistance for the completion of in-class exercises.
- In examinations, hand held calculators are permitted. Mobile phones and computers are not permitted.

Assumed Knowledge: Students are expected to be familiar with relevant material from the Financial Risk Management unit.

Assumed Access: Access to a computer with word processing and spreadsheet capability is assumed, as is general student computer literacy.

TECHNOLOGY USED AND REQUIRED

Unit iLearn Site:

- Found by logging on to iLearn ilearn.mq.edu.au, then clicking on **AFCP8050 Corporate Treasury Management**.
- This is where you will find forums, downloadable resources and links to important pages.
- The forum allows you to communicate with other students and lecturer(s) and may provide supplementary material.
- You are requested to post your questions on the forums at least 24 hours prior to the assignment submission date or the examination date. Questions posted after that time may not be answered. **Please try to not leave your questions to the last few days.**

Laptops: A laptop per group would be beneficial to enable students to present the results of the in-class case study.

Notes: Additional subject notes may be distributed during classes to students attending (where relevant).

Important Notice:

- It is important that you familiarise yourself with the unit's iLearn site.
- The lecturer will advise during the class about the distribution of material (such as additional notes, assignment, and case studies), that may appear on the unit's iLearn site, if relevant.
- Students should check the unit's iLearn site regularly (minimum twice a week and prior to all lectures) and look for updates and distribution of materials (including case studies) related to the unit or assessments and, if relevant, participate in forum discussions.

Unit Schedule

Coronavirus (COVID-19) Update

The unit schedule/topics and any references to on-campus delivery below may no longer be relevant due to COVID-19. Please consult [iLearn](#) for latest details, and check here for updated delivery information: https://ask.mq.edu.au/account/pub/display/unit_status

This course is intended to give students a working understanding of the day-to-day activities and issues facing a corporate Treasury. A general working knowledge of the corporate environment and current financial events would be beneficial. The knowledge of financial markets and instruments gained through the successful completion of the core subjects will be sufficient for students undertaking this subject.

1. INTRODUCTION TO CORPORATE TREASURY

Topics:

- 1.1 The role of a corporate Treasury
- 1.2 What are the objectives of a corporate Treasury?
- 1.3 Where does Treasury sit within the broader company?
- 1.4 Treasury organisational design
- 1.5 What is risk?
- 1.6 What risks does a corporate Treasury take responsibility for?
- 1.7 What broader activities can a Treasury engage in to add value to the company?
- 1.8 How is a corporate Treasury different to a bank Treasury?

2. SHORT TERM CASH MANAGEMENT

Topics:

- 2.1 Producing an accurate cash flow forecast
- 2.2 Cash flow forecast exercise
- 2.3 Measuring and improving cash flow forecast accuracy
- 2.4 Bank account structuring, including pooling and sweeping
- 2.5 Short term funding options
- 2.6 Short term investment options

3. BALANCE SHEET MANAGEMENT

Topics:

- 3.1 Debt vs equity
- 3.2 Equity
- 3.3 Debt
- 3.4 Working capital management
- 3.5 Long term cash flow forecasting and stress testing
- 3.6 Identification and management of debt-related risks
- 3.7 Case study – debt portfolio
- 3.8 Accessing the bond markets
- 3.9 Case study – international bond issue
- 3.10 Case study – local bond issue
- 3.11 Balance sheet management exercises

4. MANAGING MARKET RISK

Topics:

- 4.1 Review of hedging basics
- 4.2 Risk identification and quantification
- 4.3 Foreign exchange risk management
- 4.4 Interest rate risk management
- 4.5 Commodities are different
- 4.6 Commodity price risk management
- 4.7 Credit risk management
- 4.8 Managing the risks of a bond issue

5. GROUP CLASS CASE STUDY

6. MANAGING TREASURY RELATIONSHIPS

Topics:

- 6.1 Key external relationships
- 6.2 Relationship banks
- 6.3 Credit rating agencies

6.4 Debt investors

7. SYSTEMS AND GOVERNANCE

Topics:

- 7.1 Creating a Treasury policy
- 7.2 The right control environment
- 7.3 When it all goes wrong
- 7.4 Impacts from the external environment
- 7.5 Treasury reporting
- 7.6 Measuring Treasury's performance
- 7.7 Treasury systems
- 7.8 Business continuity protocol
- 7.9 Information and dealing platforms

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.*)

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

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 help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

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.