



# ACST8034

## Financial Institutions Management and Regulation

Session 1, Weekday attendance, North Ryde 2020

*Department of Actuarial Studies and Business Analytics*

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#### Disclaimer

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## General Information

Unit convenor and teaching staff

Lecturer in Charge of ACST8034

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Please send an email to arrange an appointment

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Credit points

10

Prerequisites

ACST603 or ACST6003 or AFIN613 or AFIN6013 or admission to MActPrac or MBusAnalytics

Corequisites

Co-badged status

Unit description

In this unit we will look at financial institutions which fail. We will look at empirical studies of insolvencies from different countries and for different types of financial institutions (including life and general insurers, health funds, banks, superannuation funds, hedge funds, and other investment management and risk management organisations). We will consider factors such as product design, pricing, reserving, investment, asset-liability management, liquidity management, reinsurance, accounting issues, regulatory arbitrage, and Corporate Governance. We will also be looking at the effectiveness of regulation, both in preventing failures and dealing with the consequences of failures (eg, using guarantee schemes).

## 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:** Demonstrate an understanding of the regulatory framework for financial institutions, including both market conduct and prudential regulation

**ULO2:** Identify common causes of banking failures; how systemic risks can destabilise financial systems; management of credit risks

**ULO3:** Identify common causes of insurance company losses; management of different types of risk

**ULO4:** Explain the role of auditor, actuaries, accounting standards and actuarial standards in managing solvency (including case studies on financial reinsurance)

**ULO5:** Discuss different theories of regulation, objectives of regulators and the causes of regulatory failure

## 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

Assessment criteria for all assessment tasks will be provided on the unit iLearn site. After marking, the grades for each assessment task will be posted on iLearn. 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.”

### Special Consideration

Where a Special Consideration application is approved, the student may be offered an alternative assessment or may receive a mark based on the percentage mark achieved by the student in one or more other assessment tasks, at the Unit Convenor’s discretion.

### Late Submission/ Extensions for assignments

Assignments should be submitted via iLearn.

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.

### Final Examination

The final exam will be a 3 hour exam with 10 minutes reading time (closed book exam). The final exam will be held during the University exam period The examination timetable will be

posted on the University website later in the term.

## 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](https://ask.mq.edu.au/account/pub/display/unit_status)

### Required texts

There are no compulsory textbooks for this unit. We will be reading case studies from a variety of sources. Readings will be placed online (via the iLearn system) where possible. Many readings (such as GAO reports and Material Loss Reviews) are also available on the internet.

### Technology Used and Required

Students will need Internet access in order to obtain some of the readings which are available online and /or via the Library's electronic databases. Internet access is available at the University library.

Assignments may be written in Word (or another word processor) and should be submitted in PDF format.

### Unit Web Page

• Course material is available on the learning management system (iLearn) • We will be distributing lecture notes, readings, and assignments via iLearn.

### Teaching and Learning Activities

Each week we have a 3-hour lecture. We will look at one or more case studies each week. In some weeks we will also be watching documentaries about certain events (e.g. from the American PBS = Public Broadcasting Service). This will be followed by a class discussion of the issues - the emphasis will be on problem-solving, i.e. ways to improve risk management and regulation. A set of course notes and/or readings will be provided for each topic. Students are expected to participate in class discussions and read the required readings.

## 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](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](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 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](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/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.

## Changes from Previous Offering

The course material is regularly updated to reflect current issues in the financial services sector.

The class size has increased over the years. As a result, there is less flexibility/choice in the assessment tasks (including the final exam). This reduces the time needed to mark assignments, and allows us to provide feedback to students more quickly.