



AFIN3028

Financial Risk Management

Session 1, Weekday attendance, North Ryde 2020

Department of Applied Finance

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General Information

Unit convenor and teaching staff

Unit Convenor

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Contact via 8478

4ER517

Refer to ilearn

Shane Magee

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Credit points

10

Prerequisites

(AFIN252 or AFIN2052 or AFIN250 or AFIN2050) and (AFIN270 or AFIN2070 or STAT272 or STAT2372)

Corequisites

Co-badged status

Unit description

This unit examines optimal investments strategies with respect to risk and return; the role and characteristics of international financial markets and institutions; the pricing of various financial products and how they can be used for hedging. It builds econometric models based on financial variables and how these are utilised in managing market, credit and operational risks. Students are also introduced to advanced techniques in financial markets and risk management practices.

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: Illustrate coherent theoretical and technical knowledge in the discipline and practice of financial risk management.

ULO2: Analyse, generate and transmit solutions to risk problems in financial institutions.

ULO3: Formulate well-developed judgement of knowledge and responsibility to provide specialist advice in situations of financial risk.

ULO4: Evaluate econometric models for financial variables.

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

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 assessment tasks will be provided on the unit iLearn site.

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

Hull, J. (2018) Risk management and Financial Institutions, 5th Edition, Wiley

- Internet access
- Access to iLearn
- Non-programmable financial or scientific calculator
- Computer with Microsoft Excel
- RMFI software available from textbook author's website

Classes

- Classes in this unit are composed of a two-hour lecture, and one-hour tutorial. Lectures commence in Week 1 and tutorials commence in Week 2. Tutorials lag the lectures. For example, the tutorial in Week 2 will cover the questions assigned from the lecture in Week 1.

Timetables

All students are required to attend their timetabled classes. The timetable or classes can be found on the University website <https://timetables.mq.edu.au/2020/>

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

Week	Textbook chapters	Topic
1	1-6	Introduction
2	7-9	Managing Market and Interest Rate Risk
3	10, 11	Volatility, Correlation and Copulas
4	12, 13	Value-at-Risk, Expected Shortfall and Historical Simulation
5	13, 14	Model-Building Approach to Value-at-Risk and Expected Shortfall
6	15-18	Regulation
7	17, 19	Credit Risk
		Mid session break
8		Class Test
9	20, 21	CVA, DVA and Credit VaR
10	22, 23	Scenario Analysis, Stress Testing and Operational Risk
11	24, 25	Liquidity and Model Risk
12	26-29	Economic Capital, Enterprise Risk Management, Financial Innovation and Risk Management Mistakes to Avoid
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.*)

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

Supplementary Exams

Information regarding supplementary exams, including dates, is available at: http://www.businessandeconomics.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) 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.