ACCG8305
CPA - Financial Risk Management
Session 2, Special circumstance 2020
Department of Accounting & Corporate Governance

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Notice
As part of Phase 3 of our return to campus plan, most units will now run tutorials, seminars and other small group learning activities on campus for the second half-year, while keeping an online version available for those students unable to return or those who choose to continue their studies online.

To check the availability of face to face activities for your unit, please go to timetable viewer. To check detailed information on unit assessments visit your unit’s iLearn space or consult your unit convenor.
General Information

Unit convenor and teaching staff
Garry Morris
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Administration
Cissy Zhan
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Moderator
Rahat Munir
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Credit points
10

Prerequisites
(ACCG907 or ACCG8307) and (ACCG908 or ACCG8308) and (ACCG913 or ACCG8313)

Corequisites

Co-badged status

Unit description
This unit provides extended formal academic support for students concurrently enrolled in the Financial Risk Management unit of the CPA program. It provides knowledge, principles, skills and an appreciation of the treasury function in a corporate environment. It presents an overview of various aspects of treasury focusing on the identification and management of financial risks that organisations face. The unit also addresses investment evaluation, the sourcing of necessary funds for an organisation, and the application of and accounting for hedge instruments. In addition, the unit considers the need for suitable controls within the treasury function.

Important Academic Dates
Information about important academic dates including deadlines for withdrawing from units are available at https://students.mq.edu.au/important-dates

Learning Outcomes
On successful completion of this unit, you will be able to:

ULO1: Demonstrate an understanding of the different financial risks that companies face
and formulate strategies to manage these financial risks.

**ULO2:** Analyse practical elements of accounting for derivatives, including embedded derivatives used for hedging purposes

**ULO3:** Apply accounting standards for recording financial transactions

**ULO4:** Analyse the significance for companies having adequate controls to safeguard against financial loss and propose specific policies and procedures to reduce risk

### Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Test 1</td>
<td>20%</td>
<td>No</td>
<td>26 August</td>
</tr>
<tr>
<td>Class Test 2</td>
<td>20%</td>
<td>No</td>
<td>23 September</td>
</tr>
<tr>
<td>Business Report</td>
<td>20%</td>
<td>No</td>
<td>10 November</td>
</tr>
<tr>
<td>Class participation</td>
<td>10%</td>
<td>No</td>
<td>Each week</td>
</tr>
<tr>
<td>CPA External Exam</td>
<td>30%</td>
<td>Yes</td>
<td>14 October to 2 November</td>
</tr>
</tbody>
</table>

### Class Test 1

Assessment Type: Quiz/Test
Indicative Time on Task: 20 hours
Due: **26 August**
Weighting: **20%**

A class test comprising of multiple-choice questions will be conducted online. This test is designed to provide feedback to students on their level of understanding of key topics and concepts covered and to identify any particular learning challenges or areas of difficulties.

On successful completion you will be able to:

- Demonstrate an understanding of the different financial risks that companies face and formulate strategies to manage these financial risks
- Analyse practical elements of accounting for derivatives, including embedded derivatives used for hedging purposes
- Apply accounting standards for recording financial transactions
- Analyse the significance for companies having adequate controls to safeguard against financial loss and propose specific policies and procedures to reduce risk
Class Test 2
Assessment Type 1: Quiz/Test
Indicative Time on Task 2: 20 hours
Due: 23 September
Weighting: 20%

A class test comprising of multiple-choice questions will be conducted online. This test is designed to provide feedback to students on their level of understanding of key topics and concepts covered and to identify any particular learning challenges or areas of difficulties.

On successful completion you will be able to:
• Demonstrate an understanding of the different financial risks that companies face and formulate strategies to manage these financial risks
• Analyse practical elements of accounting for derivatives, including embedded derivatives used for hedging purposes
• Apply accounting standards for recording financial transactions
• Analyse the significance for companies having adequate controls to safeguard against financial loss and propose specific policies and procedures to reduce risk

Business Report
Assessment Type 1: Case study/analysis
Indicative Time on Task 2: 36 hours
Due: 10 November
Weighting: 20%

Students will write a 1,500 word report (worth 10%) and each student will give a 5-minute presentation (worth 10%) outlining their findings and recommendations. The focus of the task will be to identify the key financial risks of a (public listed) company allocated to the team. The team will need to propose methods to manage the risks and identify suitable benchmarks to measure Treasury’s performance.

On successful completion you will be able to:
• Demonstrate an understanding of the different financial risks that companies face and formulate strategies to manage these financial risks
• Analyse practical elements of accounting for derivatives, including embedded derivatives
Class participation

Assessment Type 1: Participatory task
Indicative Time on Task 2: 24 hours
Due: Each week
Weighting: 10%

Students are required to actively participate in class discussions both individually and in a group context when required. Prior preparation is necessary for active participation. The participation mark will be a result of attempting to participate, as well as the quality and frequency of that participation. Class participation is designed to encourage and help students achieve the learning outcomes of this unit.

On successful completion you will be able to:

- Demonstrate an understanding of the different financial risks that companies face and formulate strategies to manage these financial risks
- Analyse practical elements of accounting for derivatives, including embedded derivatives used for hedging purposes
- Apply accounting standards for recording financial transactions
- Analyse the significance for companies having adequate controls to safeguard against financial loss and propose specific policies and procedures to reduce risk

CPA External Exam

Assessment Type 1: Examination
Indicative Time on Task 2: 20 hours
Due: 14 October to 2 November
Weighting: 30%

This is a hurdle assessment task (see assessment policy for more information on hurdle assessment tasks)

Examination administered by CPA Australia. CPA Australia will advise on the format and topics included in the final exam. Students need to achieve at least a PASS mark in this CPA external examination. If students do not pass this CPA examination, students will not pass this unit.

On successful completion you will be able to:
Demonstrate an understanding of the different financial risks that companies face and formulate strategies to manage these financial risks

Analyse practical elements of accounting for derivatives, including embedded derivatives used for hedging purposes

Apply accounting standards for recording financial transactions

Analyse the significance for companies having adequate controls to safeguard against financial loss and propose specific policies and procedures to reduce risk

1 If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the Learning Skills Unit for academic skills support.

2 Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

**Delivery and Resources**

- Required Text CPA Program: CPA Financial Risk Management 3rd Edition, Deakin University, Geelong, Published June 2018
- Unit Web Page www.mq.edu.au
- Technology Used and Required Familiarity with iLearn and access to a computer
- Delivery Format and Other Details Timetable found at http://timetables.mq.edu.au
- Recommended Readings CPA Financial Risk Management text
- Other Course Materials As suggested in the CPA text

**Unit Schedule**

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Module 1 Introduction to Financial Risk Management</td>
</tr>
<tr>
<td>2</td>
<td>Module 2 Management of Liquidity, Debt and Equity</td>
</tr>
<tr>
<td>3</td>
<td>Module 3 Investment Evaluation &amp; Capital Structure</td>
</tr>
<tr>
<td>4</td>
<td>Module 4 Derivatives</td>
</tr>
<tr>
<td>5</td>
<td>Module 5 Interest Rate Risk Management/ 1st Test</td>
</tr>
<tr>
<td>6</td>
<td>Module 6 Foreign Exchange &amp; Commodity Price Management</td>
</tr>
<tr>
<td>7</td>
<td>Module 7 Accounting for Derivatives &amp; Hedge Relationships</td>
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<tr>
<td>8</td>
<td>Module 8 Controlling Risks</td>
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</tbody>
</table>
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). 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). 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).

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

https://unitguides.mq.edu.au/unit_offerings/128158/unit_guide/print
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 Enquiry Service
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

Equity 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.

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.