ACST2001

Financial Modelling

Session 1, Special circumstances 2021

Department of Actuarial Studies and Business Analytics

Contents

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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 activities on campus, and most will keep an online version available to 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
Lecturer
Sachi Purcal
sachi.purcal@mq.edu.au
Contact via acst2001@mq.edu.au
4EaR 728

Credit points
10

Prerequisites
50cp at 1000 level or above including [(ACST101 or ACST1001) and (STAT150 or STAT1250 or STAT170 or STAT1170 or STAT171 or STAT1371)]

Corequisites

Co-badged status

Unit description
This unit explores some basic concepts of finance, in particular: price; yield; the relationship between price and yield; interest rate risk; reinvestment risk; duration and its uses; volatility; the contingent payments approach; arbitrage pricing theory; pricing forwards; futures and options. To achieve understanding, this unit uses financial mathematics (the techniques learned in ACST1001 are developed further here) to analyse transactions involving commonly used financial instruments in the context of the markets in which they are traded. At the same time, students develop skills in solving problems; in explaining financial ideas in simple language; in constructing spreadsheet models; and in working as part of a team. A range of assessment tasks are provided, some to generate feedback on how well the understanding and skills are developing, and others to determine the standard of understanding and skills attained.

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: Apply the basic concepts and principles of financial analysis into solving financial

problems.

ULO2: Design Excel spreadsheets to solve basic problems in financial analysis.

ULO3: Appraise the work of others in the field of financial analysis.

ULO4: Construct a solution to a problem in financial analysis as part of a team.

General Assessment Information

Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

It is the responsibility of students to view their marks for each within-session-assessment on iLearn within 20 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 tasks (not including the final exam mark) will not be addressed.

Late submissions and extensions

Tasks 10% or less – 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.

Tasks above 10% - 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.

Assessment Tasks

Name	Weighting	Hurdle	Due
Take-home Quizzes	20%	No	16/3/21 and 11/5/21
Spreadsheet Project Task	20%	No	4/5/21
Online Exam	60%	No	Exam period

Take-home Quizzes

Assessment Type [1]: Quiz/Test
Indicative Time on Task [2]: 20 hours
Due: **16/3/21 and 11/5/21**
Weighting: **20%**

You will use the quiz links on iLearn to complete two take-home quizzes.

On successful completion you will be able to:

- Apply the basic concepts and principles of financial analysis into solving financial problems.

- Appraise the work of others in the field of financial analysis.

Spreadsheet Project Task

Assessment Type [1]: Quantitative analysis task
Indicative Time on Task [2]: 20 hours
Due: **4/5/21**
Weighting: **20%**

There are two components (an individual task and a group spreadsheet task). You will need to submit the tasks via iLearn.

On successful completion you will be able to:

- Apply the basic concepts and principles of financial analysis into solving financial problems.

- Design Excel spreadsheets to solve basic problems in financial analysis.

- Appraise the work of others in the field of financial analysis.

- Construct a solution to a problem in financial analysis as part of a team.

Online Exam

Assessment Type [1]: Examination
Indicative Time on Task [2]: 28 hours
Due: **Exam period**
Weighting: **60%**

The final examination will be an open book online exam, to be held during the University Examination period.

On successful completion you will be able to:

- Apply the basic concepts and principles of financial analysis into solving financial problems.

- Design Excel spreadsheets to solve basic problems in financial analysis.

- Appraise the work of others in the field of financial analysis.

- Construct a solution to a problem in financial analysis as part of a team.

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[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

Calculators

You may use a calculator in the class tests and at the final exam provided that it is portable, silent and battery operated, but you must show clearly the steps involved in every calculation. In the final exam you may NOT use any calculators that have a text-retrieval capacity, whether or not they have a full alphabet on the keyboard. Calculators may be checked at the commencement of the final exam, and the make/model may be recorded.

Software

Many of the problems you will encounter in this unit can be solved easily with the spreadsheet program, Excel. You can use this spreadsheet program to verify your solutions to many of the problems you are solving. You will need to use Excel to do the Group Spreadsheet Project.

Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (https://policies.mq.edu.au). 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

Students seeking more policy resources can visit Student Policies (https://students.mq.edu.au/support/study/policies). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

To find other policies relating to Teaching and Learning, visit Policy Central (https://policies.mq.e du.au) and use the search tool.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/admin/other-resources/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://stu dents.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.