



AFIN8067

International Financial Management

Session 1, In person-scheduled-weekday, North Ryde 2022

Department of Applied Finance

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General Information

| |
|---|
| Unit convenor and teaching staff Unit Convenor Damian Bridge damian.bridge@mq.edu.au |
| Credit points 10 |
| Prerequisites (Admission to MActPrac or MFin) or (ACST603 or ACST6003 or AFIN6012 or AFIN613 or AFIN6013 or AFIN858 or MGNT603 or ACCG6003 or MGNT808) |
| Corequisites |
| Co-badged status |
| Unit description This unit is concerned with the analytical techniques of international finance and investment. Topics include global flow of funds and international financial markets, foreign exchange markets, interest parity, arbitrage and currency speculation, purchasing power parity, real effective exchange, commodity swaps, short and long-term hedging of foreign currency risks, futures and options in currencies. Students will be equipped with the skills to critically analyse international currency and interest rate hedging activities as well as distinguish between international funding sources. |

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:** Critically analyse current changes in global financial markets that impact on international financial management, in particular exchange rate risk, capital structure and operational risks.
- ULO2:** Examine new and current investment techniques, markets and risk management models.
- ULO3:** Evaluate advanced concepts relating to foreign exchange, financial derivatives,

transaction exposure, capital structure and international portfolio theory.

ULO4: Develop and apply teamwork skills to attain effective and professional group outcomes.

General Assessment Information

Late submissions of assessments

Unless a Special Consideration request has been submitted and approved, no extensions will be granted. There will be a deduction of 10% of the total available assessment-task marks made from the total awarded mark for each 24-hour period or part thereof that the submission is late. Late submissions will only be accepted up to 96 hours after the due date and time.

No late submissions will be accepted for timed assessments – e.g., quizzes, online tests.

Table 1: Penalty calculation based on submission time

| Submission time after the due date (including weekends) | Penalty (% of available assessment task mark) | Example: for a non-timed assessment task marked out of 30 |
|---|---|---|
| < 24 hours | 10% | 10% x 30 marks = 3-mark deduction |
| 24-48 hours | 20% | 20% x 30 marks = 6-mark deduction |
| 48-72 hours | 30% | 30% x 30 marks = 9-mark deduction |
| 72-96 hours | 40% | 40% x 30 marks = 12-mark deduction |
| > 96 hours | 100% | Assignment won't be accepted |

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

Assessment Tasks

| Name | Weighting | Hurdle | Due |
|--------------------------|-----------|--------|--------------------|
| <u>Online Quiz</u> | 5% | No | Week 4 |
| <u>Mid Session Test</u> | 20% | No | Week 9 |
| <u>Group Assignment</u> | 20% | No | Week 12 |
| <u>Final examination</u> | 55% | No | Formal Exam Period |

Online Quiz

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 2 hours

Due: **Week 4**

Weighting: **5%**

The online quiz will consist of 5 to 10 questions and will be available on iLearn. Please use the quiz result as an indicator of whether you are progressing satisfactorily in the unit.

On successful completion you will be able to:

- Critically analyse current changes in global financial markets that impact on international financial management, in particular exchange rate risk, capital structure and operational risks.
- Evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

Mid Session Test

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 10 hours

Due: **Week 9**

Weighting: **20%**

A one hour mid session test will be held during the session.

On successful completion you will be able to:

- Critically analyse current changes in global financial markets that impact on international financial management, in particular exchange rate risk, capital structure and operational risks.
- Examine new and current investment techniques, markets and risk management models.
- Evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

Group Assignment

Assessment Type ¹: Project

Indicative Time on Task ²: 10 hours

Due: **Week 12**

Weighting: **20%**

In this assessment, student groups will analyse and critique the international financial management activities of an Australian listed entity.

On successful completion you will be able to:

- Critically analyse current changes in global financial markets that impact on international financial management, in particular exchange rate risk, capital structure and operational risks.
- Examine new and current investment techniques, markets and risk management models.
- Evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.
- Develop and apply teamwork skills to attain effective and professional group outcomes.

Final examination

Assessment Type ¹: Examination

Indicative Time on Task ²: 23 hours

Due: **Formal Exam Period**

Weighting: **55%**

A two hour exam will be held during the University Examination Period.

On successful completion you will be able to:

- Critically analyse current changes in global financial markets that impact on international financial management, in particular exchange rate risk, capital structure and operational risks.
- Examine new and current investment techniques, markets and risk management models.
- Evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

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 Writing Centre 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

Classes

- Students should view the pre-recorded lecture and attend the online consultation session.

Required and Recommended texts and/or materials

- *International Financial Management: 9th Edition* Eun & Resnick, Publisher: McGraw-Hill Irwin Copyright
- Set chapters for each topic's lecture are drawn from this text and identified in the lecture topic table below. Students should read these chapters prior to the lecture, so that they are familiar with the material to be covered. This will greatly enhance your learning experience.
- Required texts can be purchased from <https://www.booktopia.com.au/>

Technology Used and Required

- Financial non-programmable calculators can be used in the unit. A financial calculator is not essential as a scientific non-programmable calculator should meet all your needs (calculation of the Internal Rate of Return (IRR) is not required in any of the assessment tasks). Note: Only non-programmable calculators without text retrieval functionality are allowed for use in the unit's assessments tasks.
- Excel or similar spreadsheeting tool will be required to complete the assignment.
- Students should have access to the internet.

Unit Web Page

- Course material and announcements are available on the learning management system (iLearn).

Unit Schedule

| Week No. | Date (Week Beginning) | Topic | Chapters |
|----------|-----------------------|---|-------------|
| 1 | 21 February | Foundations of International Financial Management 1 | 1, 2, 3 & 4 |
| 2 | 28 February | The Foreign Exchange Market 1 | 5 & 6 |
| 3 | 7 March | The Foreign Exchange Market 2 | 7 |
| 4 | 14 March | Foreign Exchange Exposure | 8, 9 & 10 |

| | | | |
|----|----------|--|---------|
| 5 | 21 March | World Financial Markets 1 | 11 |
| 6 | 28 March | World Financial Markets 2 | 12 & 13 |
| 7 | 4 April | World Financial Markets 3 | 14 |
| 8 | 25 April | No Lectures - Public Holiday | |
| 9 | 2 May | Mid Session Exam Library Research Presentation Syndicate Project Introduction | |
| 10 | 9 May | World Financial Markets 4 | 15 |
| 11 | 16 May | Financial Management of the Multinational Firm 1 | 16 & 17 |
| 12 | 23 May | Financial Management of the Multinational Firm 2 | 19 & 20 |
| 13 | 30 May | Financial Management of the Multinational Firm 3 | 20 & 21 |

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://policies.mq.edu.au) (<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](#)
- [Assessment Procedure](#)
- [Complaints Resolution 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) (<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.edu.au) (<https://policies.mq.edu.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

Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

The Writing Centre

[The Writing Centre](#) provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the 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

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual

assault

- [Social support including information about finances, tenancy and legal issues](#)

Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

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.