AFIN8006
Risk Management and Derivatives
Session 1, In person-scheduled-weekday, North Ryde 2024

Department of Applied Finance

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https://unitguides.mq.edu.au/unit_offerings/162583/unit_guide/print
General Information

Unit convenor and teaching staff
Yin Liao
yin.liao@mq.edu.au

Credit points
10

Prerequisites
(Admission to MActPrac or MFin) or (ACST603 or ACST6003 or AFIN858)

Corequisites

Co-badged status

Unit description
This unit examines current techniques for measuring and managing the financial risk faced by corporate and financial institutions, with an emphasis on the practical use of derivative financial products such as forwards, futures, swaps and options to manage risk.

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: Recognise the role of derivatives in financial risk management.
ULO2: Discover the fundamental principles of derivatives valuation and its application in managing risks.
ULO3: Evaluate alternative risk management strategies and tactics.
ULO4: Encourage peer learning, peer support and collaborative work in implementing appropriate risk management solutions for corporate risk scenarios.

General Assessment Information

Mid Session Test
Assessment Type: Quiz/Test
Indicative Time on Task: 20 hours

https://unitguides.mq.edu.au/unit_offerings/162583/unit_guide/print
Due: Week 8
Weighting: 20%
A 90 minute mid session test will be held during the session.
On successful completion you will be able to:
  • Recognise the role of derivatives in financial risk management.
  • Discover the fundamental principles of derivatives valuation and its application in managing risks.

Group assignment
Assessment Type: Report
Indicative Time on Task: 20 hours
Due: Week 10
Weighting: 30%
Students will work in groups to conduct quantitative and qualitative analysis on a topical issue in financial risk management.
On successful completion you will be able to:
  • Recognise the role of derivatives in financial risk management.
  • Discover the fundamental principles of derivatives valuation and its application in managing risks.
  • Evaluate alternative risk management strategies and tactics.
  • Encourage peer learning, peer support and collaborative work in implementing appropriate risk management solutions for corporate risk scenarios.

Final Examination
Assessment Type: Examination
Indicative Time on Task: 20 hours
Due: Final exam period
Weighting: 50%
A two hour exam will be held during University Examination Period.
On successful completion you will be able to:
  • Recognise the role of derivatives in financial risk management.
Assessment Tasks

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<th>Weighting</th>
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<td>Mid-Session Test</td>
<td>20%</td>
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Mid-Session Test

Assessment Type: Quiz/Test

Indicative Time on Task: 20 hours

Due: Week 8

Weighting: 20%

Note:

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

Late Assessment Submission Penalty (written assessments)

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of ‘0’ will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55pm. A 1-hour grace period is provided to students who experience a technical concern.

For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to submit an application for Special Consideration.
A mid-session test will be held during the session.

On successful completion you will be able to:
  • Recognise the role of derivatives in financial risk management.
  • Discover the fundamental principles of derivatives valuation and its application in managing risks.

Group Assignment
Assessment Type 1: Report
Indicative Time on Task 2: 20 hours
Due: Week 10
Weighting: 30%

Students will work in groups to conduct quantitative and qualitative analysis on a topical issue in financial risk management.

On successful completion you will be able to:
  • Recognise the role of derivatives in financial risk management.
  • Discover the fundamental principles of derivatives valuation and its application in managing risks.
  • Evaluate alternative risk management strategies and tactics.
  • Encourage peer learning, peer support and collaborative work in implementing appropriate risk management solutions for corporate risk scenarios.

Final Examination
Assessment Type 1: Examination
Indicative Time on Task 2: 30 hours
Due: Final Exam Period
Weighting: 50%

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

On successful completion you will be able to:
Recognise the role of derivatives in financial risk management.
• Discover the fundamental principles of derivatives valuation and its application in managing risks.
• Evaluate alternative risk management strategies and tactics.

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
Please find the details of delivery in iLearn.

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
• 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). 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) 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

https://unitguides.mq.edu.au/unit_offerings/162583/unit_guide/print
• **Social support including information about finances, tenancy and legal issues**
• **Student Advocacy** provides independent advice on MQ policies, procedures, and processes

**Student Enquiries**

Got a question? Ask us via [AskMQ](https://www.mq.edu.au/about_us/offices_and_units/information_technology/help/), or contact [Service Connect](https://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

**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](https://www.mq.edu.au/about_us/offices_and_units/information_technology/help/). The policy applies to all who connect to the MQ network including students.

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Unit information based on version 2024.02 of the [Handbook](https://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).