## General Information

<table>
<thead>
<tr>
<th>Unit convenor and teaching staff</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Convenor</strong></td>
</tr>
<tr>
<td>Geoff Loudon</td>
</tr>
<tr>
<td><a href="mailto:geoff.loudon@mq.edu.au">geoff.loudon@mq.edu.au</a></td>
</tr>
<tr>
<td><strong>Contact via Email</strong></td>
</tr>
<tr>
<td>E4A 230</td>
</tr>
<tr>
<td>Monday 11am - 12 midday</td>
</tr>
</tbody>
</table>

### Credit points
4

### Prerequisites
ACST603 or AFIN858

### Corequisites

### Co-badged status

### Unit description
This is an advanced-level unit concentrating on various techniques in investment and financial risk management. Topics include the analysis of risk and return, financial derivatives, international bond markets, dependence modelling, banking regulations, managing market, credit, operational risk and economic capital. A strong emphasis is placed upon developing a rigorous analytical skill-base which can then be applied to real-world issues in the financial industry.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at [https://students.mq.edu.au/important-dates](https://students.mq.edu.au/important-dates)

## Learning Outcomes

1. Develop advanced and integrated understanding of the theory and practice of international investment
2. Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
3. Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector
General Assessment Information

A Standardised Numerical Grade (SNG) gives you an indication of how you have performed within the band for your descriptive grade. The SNG is not a mark, and you may not be able to work it out based on your raw examination and other assessment marks. Nor are you able to determine you are “one mark away” from a different grade.

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 Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Test</td>
<td>20%</td>
<td>7 April 2016</td>
</tr>
<tr>
<td>Case Study</td>
<td>20%</td>
<td>27 May 2016 11:59 11:59pm AEST</td>
</tr>
<tr>
<td>Final Exam</td>
<td>60%</td>
<td>University examination period</td>
</tr>
</tbody>
</table>

Class Test

Due: 7 April 2016
Weighting: 20%

Students will sit an invigilated in-class test. Refer to iLearn for further details.

No extensions will be granted. Students who do not sit the test will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

This Assessment Task relates to the following Learning Outcomes:

- Develop advanced and integrated understanding of the theory and practice of international investment
- Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
- Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector

Case Study

Due: 27 May 2016 11:59 11:59pm AEST
Weighting: 20%
Students prepare a case study on global investing and managing financial risk of an internationally diversified portfolio. Refer to iLearn for further details.

No extensions will be granted. Late assignments will be accepted up to 72 hours after the submission deadline. 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.

This Assessment Task relates to the following Learning Outcomes:

• Develop advanced and integrated understanding of the theory and practice of international investment
• Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
• Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector

Final Exam
Due: University examination period
Weighting: 60%

The exam covers the entire unit. Refer to iLearn for further details.

To be eligible to pass this unit, a pass is required in the final examination.

This Assessment Task relates to the following Learning Outcomes:

• Develop advanced and integrated understanding of the theory and practice of international investment
• Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
• Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector

Delivery and Resources

Classes
The weekly three hour class time for this unit consists of a two hour seminar and a one hour workshop.

Timetables
All students are required to attend their timetabled classes. The timetable for classes can be found on the University web site http://www.timetables.mq.edu.au/
**Recommended Text**


**Technology Used and Required**

- Internet access
- Access to iLearn
- Software for analysing portfolio risks and returns.

**Unit Schedule**

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>International investing fundamentals</td>
</tr>
<tr>
<td>2</td>
<td>Currency risk and hedging</td>
</tr>
<tr>
<td>3</td>
<td>Practical issues in international investing</td>
</tr>
<tr>
<td>4</td>
<td>Performance evaluation of global portfolios</td>
</tr>
<tr>
<td>5</td>
<td>Modelling volatility</td>
</tr>
<tr>
<td>6</td>
<td>Class test</td>
</tr>
<tr>
<td></td>
<td><em>Mid session break</em></td>
</tr>
<tr>
<td>7</td>
<td>Modelling correlation and copulas</td>
</tr>
<tr>
<td>8</td>
<td>Value-at-Risk, Expected Shortfall</td>
</tr>
<tr>
<td>9</td>
<td>Value-at-Risk, Expected Shortfall [continued]</td>
</tr>
<tr>
<td>10</td>
<td>Credit risk</td>
</tr>
<tr>
<td>11</td>
<td>Operational Risk and Economic Capital</td>
</tr>
<tr>
<td>12</td>
<td>Case study: presentations</td>
</tr>
<tr>
<td>13</td>
<td>Revision</td>
</tr>
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</table>

**Note:** this topic list is subject to revision. Any changes will be posted to iLearn.
Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central. Students should be aware of the following policies in particular with regard to Learning and Teaching:


In addition, a number of other policies can be found in the Learning and Teaching Category of 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/support/student_conduct/](https://students.mq.edu.au/support/student_conduct/)

Results

Results shown in iLearn, 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.

Supplementary Examination

Further information regarding supplementary exams, including dates, is available here [http://www.businessandeconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies](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/](http://students.mq.edu.au/support/)

Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study
Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

**Learning outcomes**

- Develop advanced and integrated understanding of the theory and practice of international investment
- Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
- Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector

**Assessment tasks**

- Class Test
- Case Study
- Final Exam
PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

- Develop advanced and integrated understanding of the theory and practice of international investment
- Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
- Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector

Assessment tasks

- Class Test
- Case Study
- Final Exam

PG - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

Learning outcomes

- Develop advanced and integrated understanding of the theory and practice of international investment
- Acquire specialised cognitive and technical skills to independently solve complex problems in financial risk management
- Apply knowledge and skills to demonstrate autonomy, expert judgement, adaptability and responsibility, as appropriate for employment in the finance sector

Assessment tasks

- Class Test
- Case Study
Final Exam

Changes from Previous Offering
Minor changes to topic coverage and sequencing.

Research and Practice

- This unit uses research from external sources.
- This unit gives you practice in applying research findings in your assignments.
- This unit gives you opportunities to conduct your own research.