



# AFIN899

## Current Issues in Banking and Finance

S2 Evening 2017

*Dept of Applied Finance and Actuarial Studies*

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#### Disclaimer

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## General Information

Unit convenor and teaching staff

Unit Convenor

Martin Gurny

[martin.gurny@mq.edu.au](mailto:martin.gurny@mq.edu.au)

Contact via via Email

Please refer to iLearn

Credit points

4

Prerequisites

Admission to MBkgFin and 48cp at 600 level or above

Corequisites

Co-badged status

Unit description

This unit provides students with the opportunity to integrate and advance their knowledge of banking and finance with an international focus. The unit's research and case-based topics will equip students to apply their analytical, critical and interpersonal skills to complex and contemporary real world problems, and to develop their communication skills and professional judgment. The assessment tasks of this unit will enable students to further develop and reflect on the development of the graduate capabilities and how these have been achieved within their degree.

## 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:

Understand the operations of a bank and how the treasury department supports its risk and operations

Address various aspects of the banking and residential mortgage market in Australia, including risk management and issues facing non-bank originators including securitisation aspects and funding issues.

Understand how tactical asset allocation can overcome the rigidity of the strategic asset

allocation to capitalise on unusual or exceptional investment opportunities.

Gain an understanding of some of the alternative investment options and strategies.

Understand the purpose of project finance and how to build a financial model specifically for it

## General Assessment Information

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

This subject will be based on a broad range of topics in order to increase the students exposure to various areas one would work in the banking and finance field. The assessments are comprised of individual components and would require students to present their work in a coherent manner. The industry partners delivering the material will be available to take questions at the end of each seminar and clarifications surrounding any assessments should take place at the end of each seminar.

Questions may be posted on the iLearn course page however these will only be answered by the academic staff. The opportunity to post queries to the academic staff will close 5 days before the assignment due date. Students will be able to continue posting on the thread but the questions will not be answered by the academic staff. You are free to discuss matters amongst yourselves.

Please read the assignment question carefully and start planning early. Replies to online posts and emails will be responded to within 48hrs however we will only be respond to them during work hours and not on weekends. Repeated questions will not be answered so; please read the previous postings carefully.

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 disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

Any emails after the completion of the final exam relating to their fairness in the exam or their grade will not be answered. The outcome is only communicated via the official release of grades by the University. Any grade appeals and review of assessments should be done via the appropriate channels.

### Grade Book

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

### Supplementary exams

Information regarding supplementary exams, including dates, is available at:

[http://www.businessandconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/disrupt](http://www.businessandconomics.mq.edu.au/current_students/undergraduate/how_do_i/disrupt)

[ion\\_to\\_studies](#)

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#">Assignment</a>	20%	No	18th Sept 2017
<a href="#">Tutorial Assignments</a>	15%	No	Announced in-class
<a href="#">In-Class Test</a>	25%	No	13th Sept 2017
<a href="#">Final Exam</a>	40%	No	See Examination Timetable

### Assignment

Due: **18th Sept 2017**

Weighting: **20%**

The assignment will be based on the Financial Modelling and Project Finance Topic. The formatting and structure of the assignment will be discussed by the guest lecturer, and any additional information will be communicated via an ilearn announcement.

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 to cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

You will need to submit a **soft copy** of any written components via the Turnitin link provided on the course page in iLearn, and other file types such as MS Excel spreadsheets via the special link provided in the ilearn space. Your assessment and the mark will be returned to you via Grade Mark within the course's ilearn space.

Please see the conditions relating to your submission in the **General Assessment Information** section of the course outline.

On successful completion you will be able to:

- Understand the purpose of project finance and how to build a financial model specifically for it

### Tutorial Assignments

Due: **Announced in-class**

Weighting: **15%**

**These tasks requires an individual attempt**

The tutorial homework will be based on Week 1, 2 & 3 and worth 5% each. 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 to cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

You will only need to submit a **soft copy** via the Turnitin link provided on the course page in iLearn. Your assessment will be marked only by the guest lecturer, with your mark available via Grade book.

Please see the conditions relating to your submission in the **General Assessment Information** section of the course outline.

On successful completion you will be able to:

- Understand the operations of a bank and how the treasury department supports its risk and operations

## In-Class Test

Due: **13th Sept 2017**

Weighting: **25%**

The in-class test will be based on material covered in the first six weeks of the course. It will be held at the lecture venue at the beginning of class. The duration is 2 hrs Please arrive at the venue 20 mins prior and have your student ID card, writing materials ready, rulers and calculators. Mobile phones watches and notes have to be kept in your closed bag and placed under your chair.

No extensions will be granted. Students who have not sat the test will be awarded a mark of 0 for the task, except for cases in which an application for disruptions to studies is made and approved.

On successful completion you will be able to:

- Understand the operations of a bank and how the treasury department supports its risk and operations
- Understand the purpose of project finance and how to build a financial model specifically for it

## Final Exam

Due: **See Examination Timetable**

Weighting: **40%**

The final exam will be based on topics covered from Week 8 to Week 13. Further information will be communicated in week 12. The duration of the exam will be 2 hrs and 30mins and it will be closed book.

You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page will not be returned to you at the end of the final examination.

If you are granted a disruption to studies for the final exam then the mix of topics in the supplementary assessment might be different to the ones allocated to the normal end of semester examination.

Supplementary assessment will only take place during the supplementary examination period.

On successful completion you will be able to:

- Address various aspects of the banking and residential mortgage market in Australia, including risk management and issues facing non-bank originators including securitisation aspects and funding issues.
- Understand how tactical asset allocation can overcome the rigidity of the strategic asset allocation to capitalise on unusual or exceptional investment opportunities.
- Gain an understanding of some of the alternative investment options and strategies.

## **Delivery and Resources**

### **Classes**

Lecture timings: See timetable <https://timetables.mq.edu.au/2017/>

The campus map is downloadable from [http://www.ofm.mq.edu.au/maps\\_campus.html](http://www.ofm.mq.edu.au/maps_campus.html)

Classes in AFIN899 are composed of a three-hour seminar. Unit materials are learnt by attending lectures and through independent learning. The seminars provide a general overview of the topics highlighting some concepts and techniques. Students are strongly advised to study any additional reading material furnished by the unit convenor, the guest lecturers and further explore all relevant concepts.

Students should attend a three-hour seminar every week. Seminar slides will be distributed either prior or after the class and are at the discretion of the guest lecturer.

Please note that due to the interactive nature of the subject the Echo360 recording is not likely to be captured as the practitioners are very unlikely to stand behind the podium just to capture. Therefore it is important that you attend class each week (physically and mentally present)

### **Required and Recommended Texts and Materials**

There are no required or recommended texts for AFIN899. Notes for each of the seminars will be made available in iLearn. If required, additional readings will also be provided either via iLearn and eReserve. Some exercises performed in class might be accompanied with some Excel files. These will be made available after demonstration in class.

### **Technology Used and Required**

Non-programmable calculators with no text-retrieval functionality are permitted. Calculators that

have a full alphabet on the keyboard are not permitted. Graphics calculators are not permitted. Calculators need the following minimum functionality:  $xy$  or  $^x$ ,  $1/x$  and  $\log$  or  $\ln$  functions, and a memory. Non-programmable financial calculators are permitted but it is not a requirement to use a financial calculator.

iLearn is an online program available at <https://ilearn.mq.edu.au/login/MQ/> through which students will be able to access resources such as lecture notes and lectures to assist them throughout the semester. The discussion forum environment will be extensively used to allow students to interact with each other.

### **Unit Web Page**

Course material is available on the learning management system at <http://ilearn.mq.edu.au>

You are strongly encouraged to visit the website regularly and use it as a resource centre to assist with your learning.

If you are unable to access the internet site because you are not aware of or have forgotten your username and password, please contact the IT helpdesk. All information is available at <http://informatics.mq.edu.au/help/>

With regards to assistance in using iLearn, please visit the following link.

[http://www.mq.edu.au/iLearn/student\\_info/index.htm](http://www.mq.edu.au/iLearn/student_info/index.htm)

You can follow the tabs on the left, i.e., “Getting Started” and “Access iLearn.”

Please remember to logout when you have finished using iLearn. Failure to do so could result in unauthorised access to your iLearn account.

## **Learning and Teaching Activities**

The teaching strategy in AFIN899 recognises that students learn independently and assume responsibility for the learning process and with academic integrity. As masters student you are expected to participate in all class activities.

Students are expected to participate in the unit by attending lectures, reading the provided material and thoroughly revising the lecture notes. You are also supposed to use the full suite of research databases available from the library including reference to journal articles and industry reports.

What we aim to achieve in AFIN899 is deep (as opposed to the surface) learning. Thus, learning is interpreted as making sense or abstracting meaning. Learning involves relating parts of the subject matter to each other and the real world. Further education is understood as comprehending the world by understanding and reinterpreting knowledge.

This unit also gives you the opportunity to go beyond your discipline and exposes you to different areas of finance and banking, including discussion of the latest financial and banking regulation from ASIC, APRA, BIS and other bodies that will become essential when starting your career in the workforce. The unit will also touch on future of the finance and banking with the role of fintech and blockchain technology.

## Unit Schedule

Teaching Day	Topic
Week 1 2 Aug	Australian Corporate Debt - Fixed and Floating Debt
Week 2 9 Aug	Regulating the Financial Sector of the Future
Week 3 16 Aug	Dynamic Bank Balance Sheet
Week 4 23 Aug	Financial Modelling and Project Finance
Week 5 30 Aug	Energy and Commodity Trading Risk Management - The 12 Component Framework.
Week 6 6 Sep	Designing a Financial Plan
Week 7 13 Sep	In-Class Test (2hrs) Week 1 to 6
18 Sep	Session 2 recess
25 Sep	Session 2 recess
Week 8 4 Oct	Financial Risk
Week 9 11 Oct	Alternative Investments
Week 10 18 Oct	Managing Risk using FX
Week 11 25 Oct	Quantitative Equity Portfolio Management
Week 12 1 Nov	Strategic Asset Allocation



Week 13	The Rise of Fintech
8 Nov	
13 Nov	Exams commence

## Learning and Teaching Activities

### Seminar

Seminar Style teaching (3 hours for each teaching week) Seminars are intended to provide an overview of how practitioners in the finance and banking industry apply some of the core themes of the unit.

### Independent learning

Independent learning – learning by doing (about 6 hours each teaching week and 9 hours each week during the 2-week mid-semester recess) AFIN899 relies heavily on independent learning where students read the relevant material, listen to lectures, revise the lecture notes, participate in iLearn and class discussions. Students are expected to extend themselves by doing additional reading and research using the library online databases and data sources. Additionally students are expected to keep themselves abreast by reading key financial newspapers and referring to Factiva and Business Source Premier available online via the library databases. Students should also be able to work through the MS Excel help built into the program and seek online help from other websites directed from the MS Excel help search. Students should be able to demonstrate the comprehension of the assignment questions by being consistent in responding to the either exact or similar questions to the assignments in the final examination.

## 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:

Academic Honesty Policy [http://mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://mq.edu.au/policy/docs/academic_honesty/policy.html)

Assessment Policy [http://mq.edu.au/policy/docs/assessment/policy\\_2016.html](http://mq.edu.au/policy/docs/assessment/policy_2016.html)

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Complaint Management Procedure for Students and Members of the Public [http://www.mq.edu.au/policy/docs/complaint\\_management/procedure.html](http://www.mq.edu.au/policy/docs/complaint_management/procedure.html)

Disruption to Studies Policy (in effect until Dec 4th, 2017): [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html)

Special Consideration Policy (in effect from Dec 4th, 2017): <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>

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](http://ask.mq.edu.au).

## 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](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and 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.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## 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](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### 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**

- Understand the operations of a bank and how the treasury department supports its risk and operations
- Address various aspects of the banking and residential mortgage market in Australia, including risk management and issues facing non-bank originators including securitisation aspects and funding issues.
- Understand how tactical asset allocation can overcome the rigidity of the strategic asset allocation to capitalise on unusual or exceptional investment opportunities.
- Gain an understanding of some of the alternative investment options and strategies.
- Understand the purpose of project finance and how to build a financial model specifically for it

## **Assessment tasks**

- Assignment
- Tutorial Assignments
- In-Class Test
- 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**

- Understand the operations of a bank and how the treasury department supports its risk and operations
- Address various aspects of the banking and residential mortgage market in Australia, including risk management and issues facing non-bank originators including securitisation aspects and funding issues.
- Understand how tactical asset allocation can overcome the rigidity of the strategic asset allocation to capitalise on unusual or exceptional investment opportunities.
- Gain an understanding of some of the alternative investment options and strategies.

- Understand the purpose of project finance and how to build a financial model specifically for it

## **Assessment tasks**

- Assignment
- Tutorial Assignments
- In-Class Test
- Final Exam

## **PG - Research and Problem Solving Capability**

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

## **Learning outcomes**

- Understand the operations of a bank and how the treasury department supports its risk and operations
- Address various aspects of the banking and residential mortgage market in Australia, including risk management and issues facing non-bank originators including securitisation aspects and funding issues.
- Understand the purpose of project finance and how to build a financial model specifically for it

## **Assessment tasks**

- Assignment
- Tutorial Assignments

## **Changes from Previous Offering**

There are no major changes from the previous offering.

## **Research and Practice**

This unit gives the students multiple group projects that require research from traditional journal type articles, industry reports published by third parties and also current government legislation supporting the finance and banking industry. It also exposes students in identifying key data sources used by the industry in writing various stock/share recommendation and company valuation reports. This unit gives you opportunities to conduct your own research based on skills obtained from using MS Excel and from exposure to different financial products. Being at the forefront of the legal environment gives one the chance to remain vigilant when giving advice to

clients. One can also apply valuations techniques in their personal investment decisions which might enhance the performance of their assets. Please note however that under no circumstances is neither Macquarie University nor the lecturer liable for any losses suffered from the application of investment techniques learnt in this subject.