



# AFIN867

## International Financial Management

AFC Term 1 NR 2018

*Archive (Pre-2019) - 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 Damian Bridge Contact via Please contact via ILearn Please check iLearn for consultation details
Credit points 4
Prerequisites ACST603 or AFIN858
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.

## 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 and appreciate changes in the global financial market that impact on international financial management.

Demonstrate an understanding of new investment techniques, markets and risk management models.

Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

To apply teamwork skills to attain effective and professional group outcomes.

## General Assessment Information

*“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 criteris for all assessments tasks will be provided on the unit iLearn site.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#"><u>Assignment</u></a>	20%	No	Saturday 10th February 10am
<a href="#"><u>Class Test</u></a>	15%	No	31 January
<a href="#"><u>Early Semester Quiz</u></a>	5%	No	20 January
<a href="#"><u>Final Exam</u></a>	60%	No	Friday 16th February

### Assignment

Due: **Saturday 10th February 10am**

Weighting: **20%**

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 disruptions to studies is made and approved.

This assessment is composed of two parts.

In groups, students will be asked to prepare a presentation of one of the topics covered this semester. They are expected to be able to use real life examples of the content and explain in necessary detail. This is worth 10% The topic needs to be approved by your lecturer. Each student will need to present and be given a separate presentation mark. The groups will also be used to complete an assignment. The group assignment will be based on preparing a research report on the presentation topic you selected. This is worth 10%. Assignments must be submitted online via ilearn.

On successful completion you will be able to:

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- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.
- To apply teamwork skills to attain effective and professional group outcomes.

## Class Test

Due: **31 January**

Weighting: **15%**

The class test will be held in lectures and include written and or multiple choice style questions.

There will be no supplementary test.

Students who have applied for disruption to studies and it has been approved will receive a verbal examination by two staff members.

More details regarding the exam will be made on iLearn closer to the exam date.

The class test will be of one hour duration.

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Early Semester Quiz

Due: **20 January**

Weighting: **5%**

There shall be one early semester quiz worth 5%. Please use this assessment task as an indicator of whether you are progressing satisfactorily in the unit. If you are having difficulties, please see the Unit Convenor and consider withdrawing before the census date.

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 disruptions to studies is made and approved.

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.

- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Final Exam

Due: **Friday 16th February**

Weighting: **60%**

The final exam will consist of an invigilated online exam. The exam will be 120 minutes in length.

On successful completion you will be able to:

- Understand and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## Delivery and Resources

### Required and Recommended texts and/or materials

- International Financial Management: 8th 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 the Macquarie University Co-op Bookshop.

### 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	12 January 9am to 12pm	Foundations of International Financial Management	1, 2, 3 & 4
2	12 January 1.30pm to 4.30 pm	The Foreign Exchange Market 1	5 & 6
3	19 January 9am to 12pm	The Foreign Exchange Market 2	7
4	19 January 1.30pm to 4.30 pm	Foreign Exchange Exposure	<b>8 &amp; 9</b>
5	24 January 9am to 12pm	World Financial Markets 1	11
6	31 January 9am to 12pm	Mid Semester Exam	
7	2 February 9am to 12pm	World Financial Markets 2	12 & 13
8	2 February 1.30pm to 4.30 pm	World Financial Markets 3	14
9	9 February 9am to 12pm	World Financial Markets 4	15
10	9 February 1.30pm to 4.30 pm	Financial Management of the Multinational Firm 1	16 & 17
11	14 February 9am to 12pm	Financial Management of the Multinational Firm 2	18, 19 & 20
12	16 February 9am to 12pm	Revision	
13	16 February 1.30pm to 4.30 pm	Final Exam	

Note:

Location for all classes is 8SCOA 214, i.e. E3B 214.

These dates are subject to change.

All chapters relate to the relevant chapter numbers in the prescribed textbook.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). 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](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

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

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/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](https://ask.mq.edu.au).

## Supplementary exams

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

[http://www.businessandconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/disruption\\_to\\_studies](http://www.businessandconomics.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/>

### 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 - Discipline Knowledge and Skills

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

- Understand and appreciate changes in the global financial market that impact on



international financial management.

- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## **Assessment tasks**

- Assignment
- Class Test
- Early Semester Quiz
- 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 and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.

## **Assessment tasks**

- Assignment
- Class Test
- Early Semester Quiz
- 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 and appreciate changes in the global financial market that impact on international financial management.
- Demonstrate an understanding of new investment techniques, markets and risk management models.
- Critically evaluate advanced concepts relating to foreign exchange, financial derivatives, transaction exposure, capital structure and international portfolio theory.
- To apply teamwork skills to attain effective and professional group outcomes.

## Assessment tasks

- Assignment
- Class Test
- Early Semester Quiz
- Final Exam

## Research and Practice

- This unit gives you opportunities to conduct your own research

## Changes since First Published

Date	Description
12/01/2018	The class venue has been changed to 8SCOA 214, i.e. E3B 214.
08/01/2018	The teaching venue has been changed to E4B 316.