



AFIN867

International Financial Management

S2 External 2018

Archive (Pre-2019) - Dept of Applied Finance and Actuarial Studies

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General Information

Unit convenor and teaching staff
Unit Convenor
Damian Bridge
Contact via See link in 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.

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 tasks (not including the final exam mark) will not be addressed. Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

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Assessment Tasks

| Name | Weighting | Hurdle | Due |
|--------------------------------------|-----------|--------|------------------------------|
| Quizzes | 5% | No | 22 August 2018 |
| Written Presentation | 10% | No | Friday 31st August 2018 2pm |
| Assignment | 25% | No | Friday 26th October 2018 2pm |
| Final Exam | 60% | No | Saturday 10th November |

Quizzes

Due: **22 August 2018**

Weighting: **5%**

This will consist of an early semester task (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 on Friday of week 4.

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 special consideration is made and approved.

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Written Presentation

Due: **Friday 31st August 2018 2pm**

Weighting: **10%**

In this assignment you will create a presentation researching a supplied finance article.

This requires the creation of a presentation in powerpoint (but not presenting it).

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 special consideration is made and approved. No submission will be accepted after solutions have been posted.

Submission must be made online via iLearn.

On successful completion you will be able to:

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Assignment

Due: **Friday 26th October 2018 2pm**

Weighting: **25%**

This will be an individual assignment requiring participation in discussion boards.

Please be aware that this assignment requires weekly participation in the later half of the semester.

All students must participate in discussion forums. 20% of the report relates to the assignment and 5% relates to the discussion forum report.

Extension

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 special consideration is made and approved. No submission will be accepted after solutions have been posted.

Submissions must be made online via iLearn.

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: **Saturday 10th November**

Weighting: **60%**

The exam will be 120 minutes in duration and conducted on campus in computer labs. This is a closed book examination. A formula sheet will be provided.

On successful completion you will be able to:

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- 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

Students should study the online resources contained within iLearn.

- Students should review the study plan suggestions in iLearn.

Prizes

- Prizes for this unit (if applicable). http://www.businessandconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships

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

| Subject | Topic | Chapters |
|---------|---|----------|
| 1 | Foundations of International Financial Management 1 | 1 & 2 |
| 2 | Foundations of International Financial Management 2 | 3 & 4 |
| 3 | The Foreign Exchange Market 1 | 5 & 6 |
| 4 | The Foreign Exchange Market 2 | 7 |
| 5 | Foreign Exchange Exposure | 8 & 9 |
| 6 | World Financial Markets 1 | 11 |
| 7 | World Financial Markets 2 | 12 & 13 |
| 8 | World Financial Markets 3 | 14 |

| | | |
|----|--|-------------|
| 9 | Financial Management of the Multinational Firm 1 | 16 & 17 |
| 10 | Financial Management of the Multinational Firm 2 | 18, 19 & 20 |
| | | |

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.

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

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) 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

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.

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

- Quizzes
- Written Presentation
- Assignment
- 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

- Quizzes
- Written Presentation
- Assignment
- 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.

Assessment tasks

- Quizzes
- Written Presentation
- Assignment
- Final Exam

Research and Practice

- This unit gives you opportunities to conduct your own research