



ACCG905

CPA - Financial Risk Management

City S2 Day 2019

Dept of Accounting & Corporate Governance

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	6
<u>Unit Schedule</u>	6
<u>Policies and Procedures</u>	7
<u>Graduate Capabilities</u>	9
<u>Research & Practice, Global & Sustainability</u>	10

Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

General Information

Unit convenor and teaching staff

Lecturer

Garry Morris

garry.morris@mq.edu.au

Contact via garry.morris@mq.edu.au

4ER level 2

As requested by email

Moderator

Meiting Lu

meiting.lu@mq.edu.au

Contact via meiting.lu@mq.edu.au

4ER level 2

N/a

Administration

Aditya Sawant

aditya.sawant@mq.edu.au

4ER 350D

N/a

Credit points

4

Prerequisites

ACCG907 and ACCG908 and ACCG913

Corequisites

Co-badged status

Unit description

This unit provides an extended formal academic support for students concurrently enrolled in the Financial Risk Management unit of the CPA program. This unit provides knowledge, principles, skills and an appreciation of the treasury function in a corporate environment. It presents an overview of various aspects of treasury focusing on the identification and management of financial risks that organisations face. The unit also addresses investment evaluation, the sourcing of necessary funds for an organisation, and the application of and accounting for hedge instruments.

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:

Identify financial risks that companies face and formulate strategies to manage financial risks

Explain derivatives and other hedging techniques

Apply accounting standards for recording financial transactions

Implement controls to safeguard against financial loss

Demonstrate effective business communication and teamwork skills

Assessment Tasks

Name	Weighting	Hurdle	Due
Class participation	10%	No	Weeks 1 to 12
Class tests	40%	No	Week 5 and 9
Report	20%	No	Weeks 7, 12 and 13
Final examination	30%	No	28 September to 13 October

Class participation

Due: **Weeks 1 to 12**

Weighting: **10%**

Task Description: Students are expected to actively participate in the seminars. The assessment mark will be awarded based on attendance and participation in class discussion.

Type of Collaboration: Individual effort **Submission:** Students are expected to attend weekly seminars and actively participate in the activities conducted during the seminars. This assessment mark will be awarded in line with the ability of students to make a reasonable contribution to discussion on various topics. **Format:** Class Participation **Length:** Ongoing

Inherent Task Requirements: Class Participation **Late Submission:**

Extension: No extensions will be granted unless an application for Special Consideration is made and approved.

Penalties: A mark of zero will be awarded for non-attendance. Students must attend the seminars to receive marks for participation..

Marking criteria Your mark will be based on your interaction in class discussion..

On successful completion you will be able to:

- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Apply accounting standards for recording financial transactions
- Implement controls to safeguard against financial loss
- Demonstrate effective business communication and teamwork skills

Class tests

Due: **Week 5 and 9**

Weighting: **40%**

Task Description: Open book tests with 30 multiple choice questions. The test in week 5 will cover modules 1 to 4. The test in week 9 will cover modules 5 to 8. **Type of Collaboration:**

Individual effort **Submission:** The tests will be conducted online **Format:** Multiple choice questions **Length:** 60 minutes to complete 30 questions **Inherent Task Requirements:**

Understanding material covered in CPA text **Late Submission:**

Extension No extensions will be granted unless Special Consideration is sought.

Penalties Students who do not complete the test will be awarded a zero mark unless Special Consideration is approved.

Marking criteria Your mark will be based on the accuracy of your answers.

On successful completion you will be able to:

- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques

Report

Due: **Weeks 7, 12 and 13**

Weighting: **20%**

Task Description: A research paper will be written as part of a group. Groups will be formed in week 2. The submission will be in the form of a business report with each group allocated a different publicly listed company. Your group will identify the relevant financial risks and recommend suitable risk management approaches. The written report will be worth 10% of your marks with an additional 10% for your individual presentation. **Type of Collaboration:** Written assignment to be completed within a team **Submission:** An initial outline giving background information about your Company and its financial risks will be submitted in week 7 to your lecturer in class. The final report will be handed to your lecturer in class in week 12. Each group will provide a contribution sheet identifying the parts of the report completed by each member of the group. This will form the basis of allocating marks to each member for the written report. A

group presentation will be given in week 12, and if necessary week 13 after the CPA exam and each student will be awarded a mark for their individual presentation. **Format:** Written report with presentation **Length:** Report to be no more than 6 pages and each individual presentation in less than 5 minutes **Inherent Task Requirements:** Demonstrating good communication skills utilising knowledge gained from CPA materials **Late Submission:** **Extension** No extensions will be granted unless Special Consideration is sought.

Penalties There will be a deduction of 10% of the total available marks from the total awarded for each 24 hour period or part thereof that the submission is late. As an example, if the report is submitted 25 hours late, then there will be a 20% penalty. This penalty does not apply if Special Consideration is approved. No submissions will be accepted after solutions have been posted.

Marking criteria Your mark will be based on the demonstrated understanding of your allocated company's financial risks and the appropriateness of your recommendations to manage these exposures. Consideration will be given to each student's contribution to the written report and their individual presentation.

On successful completion you will be able to:

- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Demonstrate effective business communication and teamwork skills

Final examination

Due: **28 September to 13 October**

Weighting: **30%**

Task Description: Exam required and set by CPA. Obtain at least a PASS assessment by CPA.

Note if you do NOT pass the CPA exam you cannot attain a pass in this unit in this session.

Type of Collaboration: Individual effort **Submission:** Sit exam as arranged with CPA

Format: Multiple choice questions **Length:** 90 multiple choice questions in 3 hours **Inherent**

Task Requirements: Correctly answer at least 60% of questions **Late Submission:**

Submission/extension/penalties The examination will be conducted under the rules and conditions as set out by CPA Australia.

Marking criteria Your mark will be based on the accuracy of your answers.

On successful completion you will be able to:

- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Apply accounting standards for recording financial transactions
- Implement controls to safeguard against financial loss

Delivery and Resources

Required Text:	CPA Program: CPA Financial Risk Management, Deakin University, Geelong, revised January 2018. Other references are given at the end of each module in the CPA manual.
Unit Web Page:	www.mq.edu.au
Technology Used and Required:	Students must be familiar with the learning management system iLearn. Students will require access to a computer to conduct their own research using internet search engines and library databases.
Delivery Format and Other Details:	Timetable The timetable for classes can be found on the University webpage http://timetables.mq.edu.au
Recommended Readings:	CPA Financial Risk Management text
Other Course Materials:	As suggested by CPA in their text

Requirements to complete the unit satisfactorily You will be expected to attend 3 hours of face-to-face lectures each week. You will also need to satisfactorily complete 2 class tests as well as a team-based research project. These tasks will require at least 50% of the total marks awarded or 35 in total of the allocated 70 marks for the *internal* Macquarie University component of this unit. In addition you need to achieve at least a PASS in the CPA external exam.

Unit Schedule

Week	Topic
1	Module 1, <i>Introduction to Financial Risk Management</i>
2	Module 2, <i>Management of Liquidity, Debt & Equity</i>
3	Module 3, <i>Investment Evaluation & Capital Structure</i>
4	Module 4, <i>Derivatives</i>
5	1 st Test (Modules 1 to 4) Module 5, <i>Interest Rate Risk Management</i>

6	Module 6, <i>Foreign Exchange & Commodity Price Management</i>
7	<i>Submit initial work on research project</i> Module 7, <i>Accounting for Derivatives & Hedge Relationships</i>
8	Module 8, <i>Controlling Risks</i>
9	<i>2nd Test (Modules 5 to 8)</i>
10	<i>Test results and revision</i>
11	<i>Revision</i>
	<i>CPA Exams</i>
12	<i>Presentations and research project submitted in class</i>
13	<i>Additional presentations if required</i>

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](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://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 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

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

If you are a Global MBA student contact globalmba.support@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 - 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

- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Apply accounting standards for recording financial transactions
- Implement controls to safeguard against financial loss

Assessment tasks

- Class participation
- Class tests
- Report
- Final examination

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

- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques

Assessment tasks

- Class participation
- Class tests
- Report
- Final examination

PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

Learning outcomes

- Identify financial risks that companies face and formulate strategies to manage financial risks
- Explain derivatives and other hedging techniques
- Demonstrate effective business communication and teamwork skills

Assessment tasks

- Class participation
- Class tests
- Report
- Final examination

Research & Practice, Global & Sustainability

This unit addresses global and sustainability issues as direct areas of study and as necessary implications arising from the materials, assessment and academic discussion and debate in classes/seminars. We promote sustainability by developing ability in students to research and locate information within accounting discipline. We aim to provide students with an opportunity to obtain skills which will benefit them throughout their career. This unit gives you opportunities to understand the current practice and research in Financial Risk Management. The unit materials have a reference list at the end of each module containing all references cited by the

author. These provide some guidance to references that could be used to research particular issues.