Year and Semester: 2012 Semester 1

Unit convenor: Garry Morris

Prerequisites: Master of Accounting (Professional)

Credit points: 3

Students in this unit should read this unit guide carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

- This is a 3 credit point unit forming part of the Master of Accounting (CPA Extension) 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 course will also address investment evaluation, the sourcing of necessary funds for an organisation, and the application and accounting for hedge instruments. Learning will be facilitated through structured formal academic support for full time students concurrently enrolled in the Master of Accounting (CPA Extension) program, and the Financial Risk Management segment of the CPA program.

TEACHING STAFF

Convenor: Garry Morris
Location: Level 2, E4A
Email: garner.morris@mq.edu.au

Lecturer: Katarina Djukic
Location: Level 2, E4A
Email: katarina.djukic@mq.edu.au
CONTACTING STAFF

- Consultation times
  Students attending the Tuesday 2 to 5 pm class can arrange to see their lecturer between 12:30 pm and 1:30 pm on Tuesdays in E4B104. Students attending the Wednesday 2 to 5 pm class can arrange to see their lecturer between 12:30 pm and 1:30 pm on Wednesdays in E4B104.

  You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct consultations by email.

- Other ways of contacting staff
  Any questions which are not resolved in lectures should be emailed to your lecturer. Emails should be sent to your lecturer’s email address. It is university policy that all students should correspond on university matters using their MQ email address. Lecturers will arrange a time that is convenient for students to meet.

  Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

CLASSES

This unit is structured around attendance at one 3 hour class per week.

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th>Room</th>
<th>Lecturer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday</td>
<td>2-5 pm</td>
<td>E7B200</td>
<td>KD</td>
</tr>
<tr>
<td>Friday</td>
<td>3-6 pm</td>
<td>C4A315</td>
<td>GM</td>
</tr>
</tbody>
</table>

It is a requirement of this unit that students attend classes. Students should attend their designated class or seek permission from their lecturer and the other lecturer if there is a one-off need to attend the other class.

The timetable for classes can be found on the University web site at: http://www.timetables.mq.edu.au/

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

All students should have the following provided from CPA Australia


These CPA segment materials comprise 8 Modules with associated readings, supplementary update, and other support materials.
Other References

Students will be required to use library resources to research beyond these materials in undertaking research necessary to complete their assignments.

The CPA course 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 an assignment on a particular issue.

TECHNOLOGY USED AND REQUIRED

- Students require computer technology and competence sufficient to regularly access the ACCG905 iLecture webpage via the internet, and to use a word processing and a spreadsheet program (such as Word and Excel) for assignments.
- The unit webpage will contain copies of lecture guides, announcements and changes made during the semester. Students are expected to visit the unit webpage on a regular basis.

UNIT WEB PAGE

- Teaching and assessment material is available on the learning management system (iLearn)

LEARNING OUTCOMES

The aim of this unit is to provide students with the opportunity to acquire knowledge and skills in managing financial risks as well as an appreciation of the necessary controls and reporting. The unit covers the CPA Financial Risk Management segment content as well as including additional case studies, materials and discussions in lectures. These will reinforce understanding of the overall financial risk management concepts within Treasury. In addition, the unit aims to extend the generic skills program in the Postgraduate Diploma segment of the MAcc, by further developing practical problem solving skills, communicating and participating in a group setting.

The specific objectives of the concurrent CPA Financial Risk Management segment, as outlined in the CPA Segment Outline 2012, include the ability to demonstrate knowledge and skills in the following areas:

1. the nature of financial risk faced by corporations, other business entities and government
2. recognising and controlling financial risk within an organisation’s governance structure
3. the nature and function of derivative financial instruments
4. various risk management instruments and strategies used to manage interest rate, currency and commodity price risk
5. accounting concepts that apply to finance transactions
6. general principles of hedge accounting for financial risk management transactions
**GRADUATE CAPABILITIES**

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University’s graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills
   a. a good standard of oral and written communication
   b. a capacity for teamwork and collaboration
   c. information technology literacy
2. Critical, Analytical and Integrative Thinking
3. Problem Solving and Research Capability

**LEARNING AND TEACHING ACTIVITIES**

**Classes:**
Classes will meet on scheduled dates for a 3 hour seminar during the semester. Most weeks this will consist of a lecture on issues involving the relevant content from the CPA module topics. Additional time will be spent on examples from the CPA module notes. Lectures will provide students with the main concepts and techniques. The CPA course notes provide many questions and extra detail which lectures may not cover and it is expected that students will cover this material in their own time.

In between classes ALL students are required to work through the relevant module(s) in the CPA program, CPA segment modules, as well as work on assessment tasks.

**Lecture:**
Lecture slides MUST be downloaded and brought to each class. These are available on the World Wide Web site accessed through Macquarie University OnlineLearning @MQ.

These notes will be the core lecture notes presented in lectures. They are not intended to, nor do they, stand alone, nor in place of lecture attendance or full reading of the CPA Modules. You should construct your own notes based on your own readings. Any additional comments, supplements and corrections to these notes will occur during lectures – which you should attend.

Students are encouraged to read the CPA module notes prior to attending each class in order to gain maximum benefit from the class.

**RESEARCH AND PRACTICE**

- This unit contains a research-based written assignment worth 20% of the overall assessment.
# Relationship Between Assessment and Learning Outcomes

<table>
<thead>
<tr>
<th>Assessment Task 1</th>
<th>Assessment Task 2</th>
<th>Assessment Task 3</th>
<th>Assessment Task 4</th>
<th>Assessment Task 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title/Name</td>
<td>Participation</td>
<td>Quiz</td>
<td>1st class test</td>
<td>2nd class test</td>
</tr>
<tr>
<td>Description</td>
<td>Discussion in class about CPA materials, etc</td>
<td>Open book 15 multiple choice qu’s (“MCQ’s”) on module 1</td>
<td>Open book 45 MCQ’s on modules 2 to 5A</td>
<td>Open book 45 MCQ’s on modules 5B to 8</td>
</tr>
<tr>
<td>Due date</td>
<td>Throughout</td>
<td>Week 3</td>
<td>Week 7</td>
<td>Week 11</td>
</tr>
<tr>
<td>% Weighting</td>
<td>5%</td>
<td>5%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Grading method</td>
<td>Based on standard of answers and questions raised</td>
<td>Equal marks for each question requiring 50% to pass</td>
<td>Equal marks for each question requiring 50% to pass</td>
<td>Equal marks for each question requiring 50% to pass</td>
</tr>
<tr>
<td>Submission method</td>
<td>Oral in class</td>
<td>In class</td>
<td>In class</td>
<td>In class</td>
</tr>
<tr>
<td>Feedback</td>
<td>Immediately from lecturer</td>
<td>Results in week 4</td>
<td>Results in week 8</td>
<td>Results in week 12</td>
</tr>
<tr>
<td>Estimated student workload (hours)</td>
<td>4 hours per week reading</td>
<td>4 hours per week reading</td>
<td>4 hours per week reading</td>
<td>4 hours per week reading</td>
</tr>
<tr>
<td>Learning outcomes assessed</td>
<td>Financial risks, Financial risks, Sourcing debt, Accounting, Financial risks</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Graduate capabilities assessed</td>
<td>Communication, Problem solving, Problem solving, Problem solving, Research</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Critical thinking, Analytical thinking, Analytical thinking, Analytical thinking, Teamwork</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Problem solving, Written communication</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

In addition to the above, there will be 30% of the overall marks allocated on the basis of the CPA exam result.

To obtain a pass grade or better, it is necessary to:
- satisfactorily attempt ALL assessment components, AND
- obtain a PASS in the CPA external examination, AND
- obtain a PASS for the 70% Macquarie University assessment of the unit

- Extension requests if needed can be asked of lecturers in class
- Late submissions: Marks will be deducted from assignment if late
- Attendance: Is expected and necessary for participation mark
- There is no final examination for this unit
ACADEMIC HONESTY

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

GRADES

Macquarie University uses the following grades in coursework units of study:

HD - High Distinction
D - Distinction
CR - Credit
P - Pass
F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at: http://www.mq.edu.au/policy/docs/grading/policy.html

GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals
SPECIAL CONSIDERATION

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special_consideration/policy.html

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Support Services. Details of these and other services for students can be accessed at http://www.student.mq.edu.au.

IT CONDITIONS OF USE

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when using University IT facilities. The following regulations apply to the use of computing facilities and online services:

● Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to course work for approved units is deemed inappropriate.
● Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.
<table>
<thead>
<tr>
<th>Week</th>
<th>Commencing</th>
<th>Topic</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>20 February</td>
<td>Module 1, <em>Introduction to Financial Risk Management</em></td>
</tr>
<tr>
<td>2</td>
<td>27 February</td>
<td>Module 2, <em>Sourcing &amp; Management of Debt &amp; Equity Funds</em></td>
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<tr>
<td>3</td>
<td>5 March</td>
<td><em>Class Quiz</em> (module 1)</td>
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<td>Module 3, <em>Investment Evaluation &amp; Capital Structure</em></td>
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<tr>
<td>4</td>
<td>12 March</td>
<td>Module 4, <em>Derivatives</em></td>
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<tr>
<td>5</td>
<td>19 March</td>
<td>Module 5, <em>Introduction to Accounting for Derivatives and Hedge Relationships Part A and B</em></td>
</tr>
<tr>
<td>6</td>
<td>26 March</td>
<td><em>1st Exam</em> (modules 2 to 5) and revision</td>
</tr>
<tr>
<td>7</td>
<td>2 April</td>
<td>Module 6, <em>Interest Rate Risk Management</em></td>
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<tr>
<td>8</td>
<td>9 April</td>
<td>Module 7, <em>Foreign Exchange &amp; Commodity Risk Management</em></td>
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<tr>
<td>9</td>
<td>16 April</td>
<td>Module 8, <em>Controlling Risks</em></td>
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<td><em>Assignment due</em> (to be handed to lecturer in class)*</td>
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<tr>
<td>10</td>
<td>23 April</td>
<td><em>2nd Exam</em> (modules 6 to 8) and revision</td>
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<td><em>CPA Exams {FRM Exam 4 May}</em></td>
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<tr>
<td>11</td>
<td>7 May</td>
<td><em>Presentations</em></td>
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