Year and Semester: 2011 Semester 2

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: garry.morris@mq.edu.au

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

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.

Tuesday  3-6 pm  E7B200  KD
Friday   12-3 pm  C4A315  GM

Class attendance is highly recommended.

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

The unit will have an on line learning and teaching facility accessed through Macquarie University OnlineLearning @MQ, using the following URL: http://learn.mq.edu.au (this must be entered exactly).
The unit Website is only available to students enrolled in ACCG905. It will be available from Thursday 4 August. Students will be able to access the unit web page by the use of their normal university user/password details. Please contact the IT Help Desk if you have any difficulties accessing the unit web page:

Phone: (02) 9850 HELP (4357) Option 1 or Freecall: 1800 063 191
Face to Face: IT Help Desk, C5C244
24/7 Email: help@mq.edu.au

The Website will contain important unit materials, including:
- Course details—An outline of the unit, including assessment tasks
- Lecture Notes for each module
- Announcements—notices updating students on important matters regarding the unit
- Group assignment
- Results—for multiple choice exams, assignment and any other assessable material

**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 2011, include the ability to demonstrate knowledge and skills in the following areas:

(a) the nature of financial risk faced by corporations, other business entities and government
(b) the nature of the financial risk management function, including roles, responsibilities, performance measurement and relevant accounting practices
(c) recognising and controlling financial risk within an organisation’s governance structure
(d) sources of long-term and short-term funding
(e) the nature and function of derivative financial instruments
(f) the place of derivatives in an organisation’s risk management structure
(g) analysis of capital structure decisions to assess if an optimal debt-equity ratio can be determined
(h) various risk management instruments and strategies used to manage interest rate, currency and commodity price risk
(i) accounting concepts that apply to finance transactions
(j) general principles of hedge accounting for financial risk management transactions
(k) practical aspects of hedge accounting and their complexities
(l) the implementation of controls to manage financial and operational risk
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:

A. 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

B. Critical, Analytical and Integrative Thinking

C. Problem Solving and Research Capability

D. Creative and Innovative

E. Effective Communication

F. Engaged and Ethical Local and Global citizens

G. Socially and Environmentally Active and Responsible

H. Capable of Professional and Personal Judgement and Initiative

I. Commitment to Continuous Learning

TEACHING AND LEARNING STRATEGY

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.

CRITICAL COMMENT. You are not entitled to rely on lecturer-provided notes for full study purposes nor as being a defined indicator of CPA exam content.
Active participation in class is encouraged and expected of every student. This helps clarify your ideas, understanding and problem areas with the material, as well as enhancing your communication skills.

Ways to enhance your chance of success in this unit:
During 2007 the Master of Accounting program engaged in a significant research project that was designed to investigate and find ways to enhance student participation in the classroom.

Students interviewed stated that participating in classroom discussions, answering lecturer’s questions and engaging in meaningful and relevant discussion with colleagues when directed by the lecturer:

1. assists them in retaining information and maintaining interest and concentration
2. allows them to clarify or check their understanding
3. provides opportunities to enhance and reinforce knowledge and learn from other students
4. improves their English proficiency
5. supports their development of communication skills
6. develops skills needed in professional practice

Lecturers expect students to participate in class as it:
1. provides opportunities for students to review or clarify lecture content and benefit from the experience of other students
2. assists students to think about concepts and test whether their understanding is correct
3. develops confidence in speaking
4. provides opportunities to think in a different way

The research concluded that the benefits of in-class participation include:

- enhancing the learning experience to improve outcomes
- meeting lecturers’ expectations of students
- helping to increase communication skills.

This unit expects ALL students to participate in the classroom and engage with this exciting material. The 10 marks allocated to this portion of the assessment will be carefully monitored by your Lecturer (see Assessment).

Research and Practice

- This unit contains a research-based written assignment worth 15% of the overall assessment.
Assessment Summary (to be read together with information under heading “Determination of Overall Grade”)

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weight</th>
<th>Due Date</th>
<th>Brief description</th>
<th>Linked learning outcomes and graduate capabilities (pages 3 &amp; 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>10%</td>
<td>Throughout semester</td>
<td>In each class</td>
<td>a to I A to I</td>
</tr>
<tr>
<td>Quiz</td>
<td>5%</td>
<td>Week 3</td>
<td>Covers Module 1</td>
<td>a and b A, B &amp; C</td>
</tr>
<tr>
<td>First examination</td>
<td>15%</td>
<td>Week 7</td>
<td>Covers Modules 2-5A</td>
<td>c-g &amp; i A, B &amp; C</td>
</tr>
<tr>
<td>Second examination</td>
<td>20%</td>
<td>Week 11</td>
<td>Covers Modules 5B-8</td>
<td>h, i, j &amp; k A, B &amp; C</td>
</tr>
<tr>
<td>Group assignment</td>
<td>15%</td>
<td>Week 11</td>
<td>Business report</td>
<td>a to k A to I</td>
</tr>
<tr>
<td>Presentation</td>
<td>5%</td>
<td>Week 13</td>
<td>Present Strategy</td>
<td>a to k A, B, C, D, E &amp; H</td>
</tr>
<tr>
<td>CPA Exam</td>
<td>30%</td>
<td>28 October</td>
<td>Covers Modules 1-8</td>
<td>a to k A, B &amp; C</td>
</tr>
</tbody>
</table>

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

Assessment Overview

**Participation**

<table>
<thead>
<tr>
<th>Content Area</th>
<th>Description</th>
<th>Skills</th>
<th>Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Modules 1-8</strong></td>
<td>Students read CPA materials prior to class so as to participate in discussion and answer questions.</td>
<td>• Analytical, problem solving skills • Oral communication skills</td>
<td>Immediately from class and lecturer. Marks will be based on frequency of contributions to class discussion as well as the quality of comments made, not solely based on attendance.</td>
</tr>
</tbody>
</table>
### Class Quiz

<table>
<thead>
<tr>
<th>Content Area</th>
<th>Module 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>30-minute open book quiz testing understanding of the management of financial risk. Consists of approximately 15 multiple choice questions similar to the CPA style in My Online Learning.</td>
</tr>
</tbody>
</table>
| **Skills** | - Analytical, problem solving skills  
- Written communication skills  
- Time management |
| **Feedback** | We will endeavour to post your mark on Blackboard during Week 4. Any variation to this will be notified through Announcements on Blackboard. The Class Quiz is an early low risk diagnostic task. Your mark will indicate how you are progressing in this unit and hence whether extra effort is required, and in what areas. Any student requiring individual feedback should email the lecturer to arrange an appointment. |

### First Examination

<table>
<thead>
<tr>
<th>Content Area</th>
<th>Modules 2-5A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>80 minute open book examination testing understanding of concepts and techniques. Consists of approximately 35 multiple choice questions similar to the CPA style in My Online Learning.</td>
</tr>
</tbody>
</table>
| **Skills** | - Analytical, problem solving skills  
- Written communication skills  
- Time management |
| **Feedback** | We will endeavour to post your mark on Blackboard during Week 7. Any variation to this will be notified through Announcements on Blackboard. Your mark will indicate how you are progressing in this unit and hence whether extra effort is required, and in what areas. Any student requiring individual feedback should email their lecturer to arrange an appointment. |

### Second Examination

<table>
<thead>
<tr>
<th>Content Area</th>
<th>Modules 5B-8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>100 minute open book examination testing understanding of concepts and techniques. Consists of approximately 45 multiple choice questions similar to the CPA style in My Online Learning.</td>
</tr>
</tbody>
</table>
| **Skills** | - Analytical, problem solving skills  
- Written communication skills  
- Time management |
| **Feedback** | We will endeavour to post your mark on Blackboard during Week 11. Any variation to this will be notified through Announcements on Blackboard. Your mark will indicate how you are progressing in this unit and hence whether extra effort is required, and in what areas. Any student requiring individual feedback should email their lecturer to arrange an appointment. |
### Group Assignment

<table>
<thead>
<tr>
<th>Content Area</th>
<th>Modules 1-8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>This assignment will cover most topics in the unit and will be prepared in the form of a Business Report.</td>
</tr>
</tbody>
</table>
| **Skills** | • Analytical, problem solving skills  
• Written communication skills  
• Time management  
• Teamwork  
• Research skills |
| **Feedback** | Comments on content will be made throughout the Report by the lecturer. This will be provided in Week 13. Assignments will not be accepted after the due date. |

Details of the Assignment will be posted on the unit website by the end of Week 2.

### Presentation

<table>
<thead>
<tr>
<th>Content Area</th>
<th>Modules 1-8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Students will present their recommendations set out in their assignment (above) as a Report to the Board.</td>
</tr>
</tbody>
</table>
| **Skills** | • Analytical, problem solving skills  
• Teamwork  
• Research skills  
• Oral communication skills |
| **Feedback** | • Immediately from class and lecturer |

### CPA Exam

<table>
<thead>
<tr>
<th>Content Area</th>
<th>Modules 1-8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>3 hour open book examination testing all topics covered in the CPA materials. Consists of approximately 70 multiple choice questions similar to the CPA style in My Online Learning.</td>
</tr>
</tbody>
</table>
| **Skills** | • Analytical, problem solving skills  
• Written communication skills  
• Time management |
| **Feedback** | CPA indicates they will advise results by SMS and internet |

CPA generally expects students to achieve 60% to 65% to pass.

### 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

All final grades in the Department of Accounting and Corporate Governance are determined by a grading committee and are not the sole responsibility of the Unit Coordinator.

Students will be awarded one of these grades plus a Standardised Numerical Grade (SNG). The SNG is not necessarily a summation of the individual assessment components.

The final grade and SNG that are awarded reflect the corresponding grade descriptor in the Grading Policy.

In addition, there is a requirement to pass the final examination to be awarded a final grade of a Pass or a higher grade.

**GRADING APPEALS**

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 services 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 utilising 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 coursework for approved unit 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.
## Schedule of Classes

<table>
<thead>
<tr>
<th>Week</th>
<th>Commencing</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8 August</td>
<td>Module 1, <em>Introduction to Financial Risk Management</em></td>
</tr>
<tr>
<td>2</td>
<td>15 August</td>
<td>Module 2, <em>Sourcing &amp; Management of Debt &amp; Equity Funds</em></td>
</tr>
<tr>
<td>3</td>
<td>22 August</td>
<td><strong>Class Quiz</strong> (module 1) <em>Module 3, Investment Evaluation &amp; Capital Structure</em></td>
</tr>
<tr>
<td>4</td>
<td>29 August</td>
<td>Module 4, <em>Derivatives</em></td>
</tr>
<tr>
<td>5</td>
<td>5 September</td>
<td>Module 5, <em>Introduction to Accounting for Derivatives and Hedge Relationships Part A and B (commence)</em></td>
</tr>
<tr>
<td>6</td>
<td>12 September</td>
<td>Module 5, <em>Introduction to Accounting for Derivatives and Hedge Relationships Part B (finish)</em></td>
</tr>
<tr>
<td>7</td>
<td>19 September</td>
<td><strong>1st Exam</strong> (modules 2 to 5A) and revision</td>
</tr>
<tr>
<td>8</td>
<td>26 September</td>
<td>Module 6, <em>Interest Rate Risk Management</em></td>
</tr>
<tr>
<td>9</td>
<td>3 October</td>
<td>Module 7, <em>Foreign Exchange &amp; Commodity Risk Management</em></td>
</tr>
<tr>
<td>10</td>
<td>10 October</td>
<td>Module 8, <em>Controlling Risks</em></td>
</tr>
<tr>
<td>11</td>
<td>17 October</td>
<td><strong>2nd Exam</strong> (modules 5B to 8) and revision <em>Assignment due</em> (to be handed to lecturer in class)*</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>CPA Exams</em> <em>(FRM Exam 28 October)</em></td>
</tr>
<tr>
<td>12</td>
<td>31 October</td>
<td><em>Presentations</em></td>
</tr>
</tbody>
</table>