

School of Economics and Finance

MMAF 512: TREASURY MANAGEMENT

Trimester Two 2009

COURSE OUTLINE

Contact Details

The course coordinator and lecturer is Dawn Lorimer. Room RH306. Preferred contact is by email. Email address: Dawn.Lorimer@vuw.ac.nz

Trimester Dates

Study and Teaching Period: Monday 13 July to Friday 16 October 2009

Final assignment due: 16 November 2009

Withdrawal dates: Information available via

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

Block Release Times

9:00am Tuesday, 25th August – 12:30pm Thursday, 27th August 2009
and 9:00am Tuesday, 22^h October – 12:30pm Thursday, 22nd October 2009.

A detailed schedule of each block release course will be supplied closer to the August and October sessions.

Attendance for all sessions of both block releases is compulsory.

Course Content

An understanding of the treasury function is essential for modern corporate governance. The student is introduced to the environment facing corporate and semi government treasurers, and the ways that corporates manage their cash flows, long-term funding and foreign exchange exposures. The student will also review asset placement decisions, credit risk management, and consider the issues plus some solutions for treasury performance measurement. Throughout, the role of derivatives is explored in providing a flexible and cost effective means of changing interest rate exposures, funding and asset management. The significant role of Treasury in risk control and value enhancement is emphasised.

Course Learning Objectives

A student completing this course should be able to:

- Explain the role of the treasury department in an organisation;
- Demonstrate the management of financial exposures encountered by corporate treasurers, funds managers, and financial institutions;

- Recommend how to use financial instruments to manage risks and returns;
- Develop fairly complex spreadsheet models and employ these in financial problem solving and decision making;
- Analyse from first principles the valuation of derivative instruments, and apply the yield curve maths behind such calculations.

Course Delivery

MMAF512 will be delivered in Block Release format

Expected Workload

Total average workload of 200 hours. During the approximately 6 weeks of term prior to each block release, students will need to allow about 14 hours per week for study, research and preparation of assignments for this course. The two block courses each involve approximately 18 hours of work.

Readings

There is currently no single text that can adequately cover all aspects of this course. With your course outline we have provided a reading guide for the course topics together with a compilation of several of these readings selected from various sources.

While it was possible to provide copies of many of the course readings, others you will need to source others from The Victoria University library (eg *Managing Financial Risk* (MFR), by Smithson, C.W., McGraw Hill, 1998, which is a good summary text on financial risk management, and *Financial Risk Management*, by Daugaard, D. and T. Valentine, 1995 which takes a southern hemisphere perspective).

Materials and Equipment

It is necessary to bring a calculator to the block courses. A good financial calculator such as the HP17B, HP12C, or HP10BII is strongly recommended. During tests students will be allowed to use calculators, but not hand held or other computers.

Assessment Requirements

The following schedule of assessment applies:

Exams:	One test at each block release session based on reading assigned for period leading up to the block release and material presented at the block release (33% each). Please bring your calculator.	66%
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Participation:	For your efforts at the block release sessions and for tutorial questions.	2%
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Assignments:	Three assignments that count together for 32%. <u>The first assignment (6%) is due Monday, Aug 13, 2009.</u> <u>The second assignment (6%) is due Monday October 1st, 2009.</u> <u>The third assignment (20%) is due Monday, Nov 16, 2009.</u>	32%
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Total Assessment: 100%

Note that students must attain an overall mark of 50% in order to achieve a passing grade.

The course learning objectives apply to all sections of the course and are subject to testing in each item of assessment.

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Penalties

Each of the assignments will be marked out of a maximum that diminishes by 5% for every day late, with a weekend counting as one day. The date of submission shall be taken as the date of delivery or the day of postmark, if by post. There will be a final cut off date, one week after the due date for each assignment, after which no assignment can be accepted. The assignments will each carry a specified word limit. If an assignment exceeds the word limit, credit will be given only from the beginning of the assignment up to the word limit. No credit will be given for the portion of work extending beyond the word limit.

Mandatory Course Requirements

To pass, a student must attend all sessions of both block release courses.

Communication of Additional Information

Additional information including assignment questions, details of the block course schedule, feedback on course assessments, etc will be provided via Blackboard, email or by post. Students are responsible for ensuring that the VIAF administrator, (email: viaf-programme@vuw.ac.nz), has their up to date email and postal addresses.

If you have, or become aware of, any health condition that could prevent you attending a VIAF compulsory block release, then you should notify the Programme Director immediately, preferably by email, dawn.lorimer@vuw.ac.nz.

Use of Turnitin (if applicable)

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/