

# FOREIGN EXCHANGE MARKETS

Foreign Exchange Markets module aims to provide individuals with a core framework of knowledge of the functioning of the FX market, the fundamental trading, advising and risk management skills, and the ability to apply ethical principles to work practices—all of which are essential to work professionally in FX markets today. The module outlines the structure of the foreign exchange market, the pricing and usage of various FX instruments, as well as strategies to manage FX exposures and provide appropriate advice to clients. Developments in global FX markets, including new global principles of good conduct in the foreign exchange market, are covered.

Foreign exchange module is offered as an online learning module. There are no workshops.

### LEARNING OUTCOMES

Once you have successfully completed the Foreign Exchange module, you will be equipped to:

- ✓ analyse market information and determine the impact on the foreign exchange market
- ✓ understand how foreign exchange market products works including spot, forwards, futures options and CFDs
- ✓ price foreign exchange products using market practices
- ✓ hedge financial transaction according to organisational guidelines and trading limits
- ✓ develop appropriate trading strategies for clients
- ✓ apply market practices and codes of conduct relevant to the foreign exchange market
- ✓ provide appropriate advice to clients in line with regulatory requirements.

### CHOOSE A LEARNING PATHWAY

When you enrol in *Foreign Exchange Markets*, you will be asked to choose a learning pathway—the self-directed pathway or a facilitated group work pathway. Your choice should be based on your assessment of your current knowledge of foreign exchange markets. If you believe you have solid knowledge of foreign exchange markets, then the self-directed pathway may suit you. However, if your knowledge is limited, then the facilitated group work is probably the best way for you to study this module.

#### Self-directed pathway

If you decide to study via the self-directed pathway, you will work through the online lessons by yourself within the timeframe outlined in the study schedule.

#### Facilitated group work pathway

If you choose to study via the facilitated group work pathway, you will be placed in a small group of individuals with whom you will work online via AFM Moodle to complete a set of four group activities. The group work will be supported by a facilitator, who will monitor your progress, respond to your questions and provide feedback on the completed group tasks. Note that the group work must be completed within strict timeframes. You will need to allocate up to an hour per week to the group activities.

As well as providing ongoing access to the facilitator, a foreign exchange expert, working on the group activities will enable you to apply your knowledge to real life scenarios, share and discuss ideas with group members and broaden your knowledge of the subject matter.

You will be required to select a learning pathway when you access the *Foreign Exchange Markets* page in AFMA Moodle.

## ASSESSMENT TASKS

| Advising stream  | Dealing stream   |
|--|--|
| Assignment   | Assignment   |
| Skills assessment <ul style="list-style-type: none"><li>• Case study (Part A &amp; B)</li><li>• Role-play (Part A &amp; B)</li></ul> | Skills assessment <ul style="list-style-type: none"><li>• Case study</li><li>• Role-play</li></ul> |

### Assignment

The assignment is based on a series of short answer questions covering market structure, economic drivers, financial products, the regulatory framework and the role of risk.

Both the Advising and Dealing stream complete the assignment.

### Skills assessment

The skills assessment for this module consists of two separate activities – a case study and a role play exercise.

**Case study:** the case study consists of a scenario and a series of questions that are based on authentic workplace issues. To complete the questions, you must draw on both the knowledge that you have gained from studying this module and the knowledge you have gained through your experience of working in financial markets.

**Role play:** the role play consists of scenarios in which you act the part of a financial markets representative dealing with clients. The role play will assess your oral communications skills when providing solutions to clients. You will need to book the role play assessment via Moodle.

Students registering for the **advising stream** of this module will be required to complete a split skills assessment (Parts A and B). Both parts will consist of a case study and role play. Part A assesses the prerequisite units of competency required to complete the ASIC advising units of competency. Part B assess the ASIC advising units of competency.

Those registering for the **dealing stream** will complete a single skills assessment.

## LEARNING ACTIVITIES

You will complete your learning and assessment tasks via AFMA Moodle. You are required to complete each lesson including the quizzes and contribute to discussions. If you have selected to participate in group work, you will need to complete the additional group activities.

### Lessons and quizzes

To complete the module, you must work through all of the online lessons. As you progress through each lesson you will be able to assess whether you have understood the content by completing the online quizzes. You must answer all questions correctly. The quizzes are marked automatically, providing you with immediate feedback. You can re-sit the quizzes as many times as needed.

You must complete each lesson and pass the quiz before you may attempt the following lesson.

### Discussion forum

At the end of each lesson there are discussion questions which you must answer in order to progress to the next lesson. Discussion forum participation is mandatory in this unit. You must respond to the discussion forum questions for each lesson.

We also encourage you to ask questions and post your thoughts on each lesson and engage fully in the cohort community. The more you get involved in everything the module has to offer, the more you'll get out of it.

### Group activities (optional)

If you select to participate in group work, you will be placed in a small group with other students.

In your group, you will work collaboratively on a series of case studies via AFMA Moodle. Group work will be supported by a facilitator.

You will need to allocate up to an hour each week to work with your group to ensure that the group activities are completed within the required timeframe.

## STUDY SCHEDULE

To complete the module, you must follow the study schedule set out below and complete the assessments and group activities (if you choose the group work option) by the due dates.

| Week   | Tasks   |
|--------|---|
| Week 1 | Download assessments  |
|        | Complete Lesson 1   |
| Week 2 | Complete Lesson 2   |
| Week 3 | Complete Lesson 3   |
|        | <b>Assignment due</b>                                       |
| Week 4 | Complete Lesson 4   |
|        | <b>Group activity 1 due</b>                                 |
| Week 5 | Complete Lesson 5   |
|        | <b>Group activity 2 due</b>                                 |
| Week 6 | Complete Lesson 6   |
|        | <b>Advising skills assessment (case study) – Part A due</b> |

| Week    | Tasks   |
|---------|---|
| Week 7  | Complete Lesson 7 (Advising stream)                         |
|         | <b>Advising skills assessment (role play) – Part A due</b>  |
| Week 8  | <b>Group activity 3 due</b>                                 |
| Week 9  | <b>Group activity 4 due</b>                                 |
| Week 11 | <b>Advising skills assessment (case study) – Part B due</b> |
|         | <b>Dealing skills assessment (case study) due</b>           |
| Week 12 | <b>Advising skills assessment (role play) – Part B due</b>  |
|         | <b>Dealing skills assessment (role play) due</b>            |

## WHAT WILL YOU ACHIEVE FROM COMPLETING THIS MODULE?

If you successfully complete the module and related assessment tasks, you will be awarded the following competency units from the Diploma of Financial Markets FNS51015:

### Advising stream

#### Part A

- FNSFMK502 Analyse financial market products for clients
- FNSFMK503 Advise clients on financial risk
- FNSIAD501 Provide appropriate services, advise and products to clients
- FNSINC501 Conduct product research to support recommendations
- FNSCUS505 Determine client requirements and expectations
- FNSCUS506 Record and implement client instructions

#### Part B

- FNSASICV503 Provide advice in derivatives
- FNSASICS503 Provide advice in foreign exchange
- FNSFMK510 Prepare trading strategies for clients
- FNSFMK511 Apply limits when trading.

### Dealing stream

- FNSFMK509 Process transaction documentation
- FNSFMK601 Price financial transactions
- FNSFMK602 Hedge financial products
- FNSFMK510 Prepare trading strategies for clients
- FNSFMK511 Apply limits when trading.

## OTHER INFORMATION

### Student support

As you progress through the module, if you have any concerns, questions, or need additional guidance on what you should be doing, email AFMA at [education@afma.com.au](mailto:education@afma.com.au).

If your question relates to the learning material then post the query to the Support Forum on the Foreign Exchange Markets page in the AFMA Moodle.

### Duration

AFMA provides a maximum of 18 months to complete the full FNS51015 Diploma of Financial Markets (from date of initial registration) or 9 months if you intend on completing one module only (from date of initial registration).

It is important to note that AFMA has structured each module so that it should be completed in a time frame of approximately three months.

### Grading of assessments

AFMA grades student assessment tasks as either 'competent' or 'not yet competent'. Grades that indicate level of achievement, e.g. high distinction or distinction, are not awarded.

### Extensions for assessments

If you require an extension, you must submit your request **before** the submission date to [education@afma.com.au](mailto:education@afma.com.au).

Extensions are granted only on the basis of sickness, major family crisis, or unexpected emergency travel connected with employment (employer's confirmation is required).

Any extensions granted are for a fixed period of two weeks and your results may be delayed.

### Submitting your skills assessment

You must submit all completed assessments for marking through AFMA Moodle. When you upload your assessments, it will be checked by Turnitin, a plagiarism detection software.

### Academic honesty

Personal integrity is a core ethical principle in AFMA's Code of Ethics. Consequently, academic integrity is an important principle to which all students enrolled in the Financial Markets Program are expected to adhere. For example, any academic work that you submit for assessment must be your own work and when you do include ideas and work from other people, this must be acknowledged.

