

Faculty of Commerce & Business Administration

International Finance

Information :

Course Code : FIN 308

Level : Undergraduate

Course Hours : 3.00- Hours

Department : Department of Accounting

Area Of Study :

With the rapid globalization of the world economy, the managers of a firm have to understand that their decisions will be greatly influenced by variables such as exchange rate policies, trade policies, international accounting standards, etc. The goal of this course is to help students understand how the managers of a firm function in this increasingly uncertain environment. This course will focus on four main areas of international finance:

- (1) Key economic theories.
- (2) Various financial instruments for risk management.
- (3) Exchange risk management.
- (4) International financing and investment issues.

Description :

It outlines basic principles essential for participation in international financial markets and for financing international operations, International Financial Environment, Foreign Exchange Derivatives, Global Financing, Corporate FX Risk Management, Valuation and the Structure of Multinational Operations.

Course outcomes :

a. Knowledge and Understanding: :

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| 1 - | Demonstrate a deeper understanding of issues of international Financial Management. |
| 2 - | Show understanding of relevant mathematical and statistical techniques |
| 3 - | Show understanding of advanced analytical methods, both theory- and model based. |
| 4 - | Apply core advanced quantitative methods to applied topics. |
| 5 - | Demonstrate a broad and deep knowledge of advanced core areas of International Finance. |

b. Intellectual Skills: :

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| 1 - | Understand the contexts in which problems are addressed |
| 2 - | Reason logically and work analytically |
| 3 - | Work with abstract concepts and in a context of generality |
| 4 - | Apply complex ideas to solve problems |

c. Professional and Practical Skills: :

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| 1 - | Defend conclusions using financial and economic arguments with proper rigor |
| 2 - | Decide on and apply appropriate techniques to solve problems |
| 3 - | Determine appropriate financial and economic models to analyze problems |

d.General and Transferable Skills: :

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| 1 - | Commence independent study and carry out research |
| 2 - | Communicate effectively and clearly in written and oral formats |
| 3 - | Employ mathematical, statistical and graphical techniques in an appropriate manner |

Course Topic And Contents :

| Topic | No. of hours | Lecture | Tutorial / Practical |
|---|--------------|---------|----------------------|
| Introduction to International Finance | 4 | 3 | 1 |
| The Determination of Exchange Rates | 4 | 3 | 1 |
| Speculation and Exchange Rates | 4 | 3 | 1 |
| The Foreign Exchange Market | 4 | 3 | 1 |
| International Parity Conditions | 4 | 3 | 1 |
| First Mid Term | 2 | 0 | 0 |
| International Parity Conditions and Exchange rates | 4 | 3 | 1 |
| International Long-term Investment | 3 | 3 | 1 |
| International Long-term Financing | 3 | 3 | 1 |
| Country Risk Techniques | 3 | 3 | 1 |
| Second midterm Exam | 3 | 2 | 0 |
| Country Risk Analysis | 3 | 3 | 1 |
| International Capital Budgeting and Country Risk level. | 3 | 3 | 1 |
| Exchange risk management | 3 | 3 | 1 |
| Revision week | 3 | 3 | 1 |

Teaching And Learning Methodologies :

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| Text book |
| Related published works |
| Examples and case studies |
| Individual and group assignment |

Course Assessment :

| Methods of assessment | Relative weight % | Week No | Assess What |
|----------------------------|-------------------|---------|-------------|
| 1st Midterm | 20.00 | 6 | |
| 2nd Midterm | 20.00 | 11 | |
| Attendance & Participation | 20.00 | 13 | |
| Final Exam | 40.00 | 16 | |

Course Notes :

Brief Lecture Notes
PowerPoint Slides

Recommended books :

Moffett, M. H., Stonehill, A. I., & Eiteman, D. K. (2009). Fundamentals of Multinational Finance (3rd ed.). Pearson International Edition.

Web Sites :

www.wharton.uppn.edu/fic/papers