

DEREE COLLEGE SYLLABUS FOR: FN 3319 INTERNATIONAL FINANCE (same as EC 3319)		3/0/3						
UK LEVEL 5 UK CREDITS 15		UK LEVEL 5 UK CREDITS 15						
(Spring 2015)								
PREREQUISITES:	AF 2006 Financial Accounting EC 1000 Principles of Microeconomics EC 1101 Principles of Macroeconomics							
CATALOG DESCRIPTION:	This course delivers the theoretical framework, the quantitative tools and the practical issues that are critical in international financial management. Emphasis is placed on the global financial environment and monetary system, exchange rate determination, foreign exchange risk and foreign exchange risk management.							
RATIONALE:	The ability to make financial decisions in multinational firms requires knowledge and understanding of the global financial environment. This course provides an overview of the international financial environment and offers basic knowledge in the areas of foreign exchange risk management, foreign currency options and futures, parity conditions, international financial markets and balance of payments, so as to prepare students to take financial decisions in international settings.							
LEARNING OUTCOMES:	As a result of taking this course, the student should be able to: <ul style="list-style-type: none"> 1. Discuss the effects of economic policies on the balance of payments and on foreign exchange rate movements 2. Demonstrate a conceptual and practical understanding of the operation of the international financial markets and international parity conditions 3. Demonstrate knowledge of currency derivative contracts and the use of such contracts for hedging foreign currency risk 4. Identify different types of currency risk exposure faced by any multinational and discuss methods of managing such risk. 							
METHOD OF TEACHING AND LEARNING:	In congruence with the teaching and learning strategy of the college, the following tools are used: <ul style="list-style-type: none"> ➤ In-class discussion of numerical and conceptual exercises as well as real life examples that help the lecturer to illustrate the fundamental concepts of the course. Students are expected to be prepared to present their views and answers to their peers ➤ In-class discussion of current economic and financial developments that aim to enhance students' analytical and critical capabilities as well as their understanding of the global financial markets. ➤ In-class discussion of journal articles to expand exposure on course content beyond the textbook, and to trigger discussions on global financial issues. Students are expected to be prepared and they are encouraged to present their views on these issues. ➤ Use of power point and videos 							
ASSESSMENT:	<p>Summative:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">First Assessment: In-class written examination (One-hour closed-book, problems/essays combination)</td> <td style="text-align: center;">40</td> </tr> <tr> <td>Second Assessment: In-class written examination (Two-hour, closed-book, problems/essays combination)</td> <td style="text-align: center;">60</td> </tr> </table> <p>Formative:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Five practice question sets</td> <td style="text-align: center;">0</td> </tr> </table> <p>The formative assessment aims to prepare students for the examination.</p> <p>The midterm examination tests Learning Outcomes 1 and 2. The final examination tests Learning Outcomes 3 and 4.</p>		First Assessment: In-class written examination (One-hour closed-book, problems/essays combination)	40	Second Assessment: In-class written examination (Two-hour, closed-book, problems/essays combination)	60	Five practice question sets	0
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Five practice question sets	0							

<p>INDICATIVE READING:</p>	<p>REQUIRED READING: Eiteman, D., Stonehill, A. and Moffett M. (2012). <i>Multinational Business Finance</i>. Pearson – Addison Wesley, 13th ed.</p> <p>RECOMMENDED READING:</p> <ul style="list-style-type: none"> • Bin Xu and Ying Liu. (October 2012). The Case Study: How BMW Dealt With Exchange Rate Risk. <i>Financial Times</i>. • Eun, C. and Resnick, B. (2014). <i>International Financial Management</i>. McGraw Hill, 7th ed. • Ghosh, A. and Ramakrishnan, U. (December 2006). Do Current Account Deficits Matter? <i>Finance and Development, IMF, Vo. 4, No. 4</i>. Retrieved from: http://www.imf.org/external/pubs/ft/fandd/2006/12/basics.htm • Kouretas, G. (2011). <i>The Greek Debt Crisis: Origins and Implications</i>. (Panoeconomicus, Working Paper). Retrieved from http://www.panoeconomicus.rs • Salvatore, D. (2013). <i>Introduction to International Economics</i>. Wiley, 11th edition. • Shapiro, A. and Atulya, S. (2010). <i>Foundations of Multinational Financial Management</i>. Wiley, 6th edition. • Spigel, M. M. (August 2002). Argentina’s Currency Crisis: Lessons for Asia. <i>FRBSF Economic Letter</i>, Number 2002-25. Retrieved from: http://www.frbsf.org/publications/economics/letter/2002/el2002-25.html • The Economist. (November, 2010). Beyond Bretton Woods 2. Retrieved from http://www.economist.com/node/17414511/
<p>INDICATIVE MATERIAL: (e.g. audiovisual, digital material, etc.)</p>	<p>N/A</p>
<p>COMMUNICATION REQUIREMENTS:</p>	<p>Participation in class discussion should be delivered in a professional manner.</p>
<p>SOFTWARE REQUIREMENTS:</p>	<p>MS Office Word, Excel.</p>
<p>WWW RESOURCES:</p>	<ol style="list-style-type: none"> 1. www.economist.com (The Economist) 2. www.ft.com (Financial Times) 3. www.imf.org (International Monetary Fund) 4. www.iie.com (Institute of International Economics)
<p>INDICATIVE CONTENT:</p>	<ul style="list-style-type: none"> ▪ International Monetary System and the Determination of Exchange Rates ▪ International Financial Markets ▪ Parity Conditions in International Finance and Currency Forecasting ▪ Foreign Currency Derivatives ▪ Foreign Exchange Risk Management