



浙江大學

FINS921

International Finance

FINS921

International Finance

Instructor contact details

Lecturer-in-charge: Professor Xin Hong

Email: xinhong@zju.edu.cn

Office location: to be announced

Consultation Times: to be announced, and by appointment

Teaching Times and Locations

The Time and Location: TBA

Lecture sessions include lectures, as well as in-class discussions and test(s).

Units of Credit

The course is worth 6 units of credit, with total of 40 teaching hours.

Course Description

The main objective of this course is to look into ways in which multinational corporations make important financial decisions. It provides insight into some key techniques and strategies employed by managers who engage in the international financial arena. Some main topics include International Financial Markets, Exchange Rates and risk management, Currency Derivatives, Interest Rate Parity and International Portfolio Diversification. Other topics covered include DFI & Country Risk Analysis, International Capital Budgeting and Political Risk Management. In addition to these students will be analysing some difficulties and risks faced by corporations whilst they are conducting business in different geographic regions.

Prerequisite

N/A

Learning Resources

text book:

Madura, J. (2016). International Financial Management, 13th Edition, Cengage Learning.

Other learning and reading materials:

Shapiro, A. C. and Sarin, A.(2018).Foundations of Multinational Financial Management, 10th edition, Wiley

Lecture handouts will be also discussed in class.

Learning Objectives

By the end of this course you should be able to:

- Clearly identify the ways in which multinational corporations make important financial decisions.
- Describe the techniques and strategies employed by key decision makers who operate in the international financial arena
- Identify and select the most appropriate risk management technique used to hedge risk, such as options and futures used in managing exposure to foreign exchange fluctuations
- Analyse common difficulties faced by multinational companies whilst conducting financial management in different geographical regions
- Develop knowledge on the models of international capital budgeting analysis and their role in making international financial management decisions
- Understand the importance of international finance as well as the significant events and developments which have played an instrumental role in shaping international financial markets.
- Develop ethical awareness in the realm of international finance.

Course Delivery

The course will be taught in English through lectures, tutorials, group activities, student projects and presentations. In addition to these, there will also be guest speakers and optional field trips available for students who would like to enhance their learning experience. The course will be delivered within 16 sessions, with each session totaling 2.5 hours-inclusive of both a lecture/seminar and tutorial. These sessions will be running during the weekdays, Monday to Friday. The course will be at total 40 hours.

Topics and Course Schedule

Topic	Description	Activities	Day
Introduction to International Finance	An overview of international finance; Basic Concepts in International Finance and Foreign Exchange Markets	Lecture; class discussion	23/12/2019
International Trade Flows	Capital and funding	Lecture; class discussion	24/12/2019
International Financial Markets	Global Capital Markets: Currency exchange, Credit, Bond and Stock Markets	Lecture; class discussion; Case studies	25/12/2019
Exchange Rates and risk management	Risk management techniques ; Protections against currency rate fluctuation.	Lecture; class discussion	26/12/2019
Currency Derivatives	Currency futures, currency options and currency swaps	Lecture; class discussion	27/12/2019
Interest Rate Parity and International Parity Conditions	International Arbitrage and Interest Rate Parity	Lecture; class discussion; Case studies	28/12/2019
Interest Parity Relationship and Forecasting	International Parity Relationships and their implications; Forecasting Exchange Rates;	Lecture; class discussion	29/12/2019
Foreign Exchange Exposure and Management	Exchange Rate Fluctuations; Managing Transaction Exposure;	Lecture; class discussion	02/01/2020
International Portfolio Diversification	FDI and multinational capital budgeting; Multinational Treasury Management; Sourcing Debt Internationally; Sourcing Equity Internationally	Lecture; class discussion	03/01/2020

Swap and Interest Rate Risk Management	Interest Rate and Currency Swaps	Lecture; In Class test	06/01/2020
DFI & Country Risk Analysis	Direct Foreign Investment and market entry ; Risk analysis and risk management techniques.	Lecture; class discussion; Case studies	07/01/2020
International Capital Budgeting	Capital budgeting for multinational firms	Lecture; class discussion; Case studies	08/01/2020
Structure of multinational firms and the Cost of Capital	The restructuring of multinational firms and their capital structures; Financing International Trade ; Real options and cross-border investment strategies;	Lecture; class discussion; Case studies; Group assignment submission	09/01/2020
Political Risk Management	Corporate governance and international market for corporate control; Long-Term and short-Term financing options	Lecture; Final exam	10/01/2020

Assessments:

Class Participation	15%	Ongoing
In Class test	25%	06/01/2020
Group Assignment	20%	Due date: 09/01/2020 18:00 pm
Final Examination	40%	10/01/2020

Details on each of the assessments will be discussed during class lectures.

Class (Tutorial) participation (15%):

Active engagement in class activities and discussions are encouraged to consolidate what has been learnt in lectures. Class participation is essential towards developing a comprehensive understanding on the learning outcomes and expectations placed on students. Students are expected to participate and actively engage in all class discussions in order to ensure that they gain a more holistic learning experience. Those who are unwilling to contribute or participate in class discussions should expect relatively low class participation grade even if they are physically present in all classes.

To further enhance the learning experience, it is also important for you to engage in regular discussions with other students, in exchanging knowledge and ideas with regards to this course and its key topics. Students are expected to be present and punctual for all their classes. Lateness and causing disruption to other students is not acceptable and will not be tolerated. Doing so will lead to the deduction of class participation marks. Students are expected to be respectful towards their peers, their lecturers and all other staff members. If you are not ready to meet these basic expectations, this may not be a suitable option of study for you.

In class tests (25%):

Type: Examination

Weight: 25%

Length: A 45 minutes quiz conducted in the class.

Task: This is a closed book examination.

Details of the test will be announced and discussed in class.

Group Assignment (20%):

Students will be allocated into groups to complete a group assignment relating to course topics. They are required to work collaboratively with each other to complete this task and present it to the class through a speech (optional). Details of the assignment will be announced and discussed during the class.

· 5 pages maximum in A4,

- 12 point Times New Roman font
- Single line spacing
- Late submission will attract a penalty of 10% of the total weighting of the assessment task. A 10% deduction applies for EACH late day and the assessment will not be accepted after 5 working days. Extensions will only be granted upon the basis that there is reasonable medical evidence of illness or any other extreme circumstances that the university may place under consideration. Under no circumstances will extensions be granted for work or any other commitments. A request for an extension must formally submitted to the lecturer in writing prior to the due date, in accordance with the university's assessment policies. Medical certificates or other evidence of extreme misfortune must be submitted through a special consideration form and must contain information that justifies the extension sought.

Final examination (40%):

Type: Examination

Weight: 40%

Length: A two hours formal final examination will be scheduled by the lecture and conducted in the class.

Task: This is a closed book examination.

Students should expect a variety of differently structured questions such as multiple choice answers, short answer questions, and extended responses. Students are expected to attempt all components of the exam to their best of their abilities. Students will be provided with samples questions and a comprehensive explanation on exam instructions.

Please make sure that you are physically present in all classes, especially on examination dates. No make-up tests or examinations will be provided.

Grade Descriptors:

HD	High Distinction	85-100
D	Distinction	75-84
Cr	Credit	65-74
P	Pass	50-64
F	Fail	0-49

High Distinction 85-100

Treatment of material evidences an advanced synthesis of ideas
Demonstration of initiative, complex understanding and analysis
Work is well-written and stylistically sophisticated, including appropriate referencing, clarity, and some creativity where appropriate
All criteria addressed to a high level

Distinction 75-84

Treatment of material evidences an advanced understanding of ideas
Demonstration of initiative, complex understanding and analysis
Work is well-written and stylistically strong
All criteria addressed strongly

Credit 65-74

Treatment of material displays a good understanding of ideas
Work is well-written and stylistically sound, with a minimum of syntactical errors
All criteria addressed clearly

Pass 50-64

Treatment of material indicates a satisfactory understanding of ideas
Work is adequately written, with some syntactical errors
Most criteria addressed adequately

Fail 0-49

Treatment of ideas indicates an inadequate understanding of ideas
Written style inappropriate to task; major problems with expression
Most criteria not clearly or adequately addressed

Academic Integrity

Students are expected to uphold the university's academic honesty principles which are an integral part of the university's core values and principles. If a student fails to observe the acceptable standards of academic honesty, they could attract penalties and even disqualification from the course in more serious circumstances. Students are responsible for knowing and observing accepted principles of research, writing and any other task which they are required to complete.

Academic dishonesty or cheating includes acts of plagiarism, misrepresentation, fabrication, failure to reference materials used properly and forgery. These may include, but are not limited to: claiming the work of others as your own, deliberately applying false and inaccurate information, copying the work of others in part or whole, allowing others in the course to copy your work in part or whole, failing to appropriately acknowledge the work of other scholars/authors through acceptable referencing standards, purchasing papers or writing papers for other students and submitting the same paper twice for the same subject.

This Academic Integrity policy applies to all students of the Zhejiang University in all programmes of study, including non-graduating students. It is to reinforce the University's commitment to maintain integrity and honesty in all academic activities of the University community.

Policy

- The foundation of good academic work is honesty. Maintaining academic integrity upholds the standards of the University.
- The responsibility for maintaining integrity in all the activities of the academic community lies with the students as well as the faculty and the University. Everyone in this community must work together to ensure that the values of truth, trust and justice are upheld.
- Academic dishonesty affects the University's reputation and devalues the degrees offered.
- The University will impose serious penalties on students who are found to have violated this Policy. The following penalties may be imposed:
 - o Expulsion;
 - o Suspension;
 - o Zero mark/fail grade;
 - o Marking down;
 - o Re-doing/re-submitting of assignments or reports; and
 - o Verbal or written warning.