

COURSE SPECIFICATION DOCUMENT

Academic School/Department:	Richmond Business School
Programme:	Finance and Investment Business Management: International Business Accounting and Finance
FHEQ Level:	6
Course Title:	International Finance
Course Code:	FNN 6104
Total Hours:	160
Timetabled Hours:	45
Guided Learning Hours:	15
Independent Learning Hours:	100
Credits:	16 UK CATS credits 8 ECTS credits 4 US credits

Course Description

Taking a global perspective, the course focuses on the basics of multinational financial management from an international finance perspective. An understanding of multinational finance begins with a mastery of the principles of exchange rates—how they are determined, how they affect the prices of goods and services, and their relationship to interest rates. The course also covers foreign exchange markets, multinational accounting, foreign exchange risk, strategies and tools for managing exchange rate exposure, import and export finance, and multinational financial management.

Prerequisites FNN 5200

Aims and Objectives:

This course begins with an examination of the international financial environment, leading to consideration of international financial management techniques. The determination of exchange rates in forex markets, together with their causes and consequences for prices, interest rates and macroeconomic quantities, forms the pivotal element. Other aspects covered include:

international financial markets, forex risk and techniques for hedging, as well as multinational financial management.

Programme Outcomes

Finance and Investment: A1, A2, A3, A5 B1, B2, C1, C2, D1, D2, D4, D5

Economics: A1, A3, A5, B1, B2, B3, B4, C1-C5, C7, C8

International Business: A1, A3, A4, B1, C1, D1, D2

Accounting: A1, A4, B1, B2, C1, D1, D3

A detailed list of the programme outcomes is found in the Programme Specification. This is maintained by Registry and located at:

<https://www.richmond.ac.uk/programme-and-course-specifications/>

Learning Outcomes

Upon completion of this course, a successful student should be able to

Knowledge and Understanding

1. Develop a robust understanding of the nature and role of the international financial system, including its key market and institutional components.
2. Understand and critique the various regimes of exchange rate determination, including the consequences for macroeconomies and business.
3. Critical analysis of the functioning of the international financial system, including modes of regulation.
4. Explain and utilise a range of international financial decision-making tools, including for forex and other risk management.

Cognitive Skills

1. Understanding the language and jargon of international finance and be able to converse fluently.
2. Understanding the nature and role of the international financial system—including its regulation—especially the forex markets.
3. To understand the various risks involved in international finance, and be able to compare and contrast the tools available for hedging.
4. Being able to understand and recognise the continually evolving nature of the international financial system.

Practical and/or Professional Skills

1. Quantitative and IT skills including the framing of data, its interpretation, extrapolation and presentation.
2. Integration of empirical data within a textual-based report.
3. To be able to compare and contrast key international financial theories in the context of a changing international environment.
4. The ability to apply key international financial management tools, both to hedge risk and inform the making of other key decisions, both tactical and strategic.

Key Skills

1. Effective communication skills via a range of media.
2. Ability to develop strong analytical skills through listening, discussion and reflection.

Indicative Content

1. The evolution of the financial system in response to changing circumstances.
2. Introduction to exchange rate determination under various regimes.
3. Macroeconomics, the balance of payments and exchange rates.
4. Exchange rate relationships: PPP, FE, IFE, IRP
5. Hedging exchange rate risk: forwards, futures, options, swaps, other.
6. Exposure.
7. International financial investment.
8. International capital budgeting, including international WACC.

Assessment

This course conforms to the University Assessment Norms approved at Academic Board and are located at <https://www.richmond.ac.uk/university-policies/>

Teaching Methodology

Semi-formal bi-weekly presentation of material in lecture format interspersed with discussion. Supplemented with a rigorous set of readings and some audio-visual material. Full use of IT, including social media and podcasts, is encouraged and supported. The empirical project is of crucial impact as a learning tool. Individual or group supervisions will be provided for the set projects/assignments.

Bibliography

- Ivan K. Cohen (2005) *Focus on Financial Management*. Imperial College Press
- Ivan K. Cohen (2015) *Economics for Business: A Guide to Decision Making in a Complex Global Economy*. Kogan Page
- Ivan Cohen and Khine Kyaw (2009), *Globalisation of Financial Markets*. London: ifs School of Finance (CK)
- David K. Eiteman, Arthur I. Stonehill and Michael H. Moffett (2015), *Multinational Business Finance*, fourteenth edition. Pearson
- Roger C. Gibson (2013) *Asset Allocation: Balancing Financial Risk*, fifth edition. McGraw-Hill
- Jeff Madura and Roland Fox (2017) *International Financial Management*, 4th edition. Cengage Learning
- Keith Pilbeam (2018) *Finance and Financial Markets*, fourth edition. Red Globe Press
- A. C. Shapiro (2013), *Multinational Financial Management*, tenth edition. John Wiley
- Stephen Valdez and Philip Molyneux (2015) *An Introduction to Global Financial Markets*, 8th edition. Palgrave Macmillan

Journals

- American Economic Review* (www.aeaweb.org/journals/aer)
- The Economic Journal* (academic.oup.com/ej)
- International Finance* (internationalfinance.com)
- Journal of Economic Perspectives* (www.aeaweb.org/journals/jep)

Journal of International Money and Finance (www.journals.elsevier.com/journal-of-international-money-and-finance/)

Journal of Political Economy (www.journals.uchicago.edu/toc/jpe/current)

Quarterly Journal of Economics (academic.oup.com/qje)

Web Sites

The Economist (www.economist.com)

The Financial Times (www.ft.com)

The Wall Street Journal (www.wsj.com)

Bank for International Settlements (BIS)

(www.bis.org) The Bank of England

(www.bankofengland.co.uk)

The Bank of Japan (www.boj.or.jp/en/)

CIA World Factbook (www.cia.gov/library/publications/resources/the-world-factbook/index.html)

Classic Financial Scandals

(www.ex.ac.uk/~RDavies/arian/scandals/classic.html) CNBC (www.cnbc.com)

The European Central Bank (ECB)

(www.ecb.int) The European Union Online
(europa.eu)

The Federal Reserve Board (www.federalreserve.gov)

FRED (Federal Reserve Economic Data)

(fred.stlouisfed.org) Global Financial Data
(www.globalfinancialdata.com)

Google Finance (www.google.co.uk/finance?tab=we)

The International Monetary Fund (IMF)

(www.imf.org) OANDA (forex data)
(www.oanda.com)

The Organisation for Economic Co-operation and Development (OECD)

(www.oecd.org) The World Bank (www.worldbank.org)

Xe.com (currency data and news) (www.xe.com)

Please Note: The core and the reference texts will be reviewed at the time of designing the semester syllabus

Change Log for this CSD:

Nature of Change	Date Approved & Approval Body (School or Academic Board)	Change Actioned by Registry
Update to reading List	School 27 th August 19	
Change of Assessment Norm	School 15 th November	
Credits, hours, methodologies	AB Jan 22	
Revision – annual update	May 2023	
Total Hours Updated	April 2024	
