

COURSE SPECIFICATION DOCUMENT

Academic School:	Business
Programme:	BA (Hons) Finance and Investment BA (Hons) Economics with Combined Studies
FHEQ Level:	6
Course Title:	International Finance
Course Code:	FNN 6410
Course Leader:	Ivan K. Cohen
Student Engagement Hours:	120
Lectures:	30
Seminar / Tutorials:	15
Independent / Guided Learning:	75
Semester:	Fall/Spring
Credits:	12 UK CATS credits 6 ECTS credits 3 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 included

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, A4,
A5 B1, B2, B3,
B4 C1, C2
D1, D2, D3, D4, D5

A detailed list of the programme outcomes are found in the Programme Specification.

This is located at the archive maintained by the Academic Registry and found at:

<http://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 Standard University Assessment Norms approved at Academic Board (formerly Learning & Teaching Policy Committee) and located at: <http://www.richmond.ac.uk/admitted-students/>

Teaching Methodology:

Semi-formal bi-weekly¹ 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.

Bibliography:

Kevin Boakes (2009), *Reading and Understanding the Financial Times*, 2nd edition. FT/Prentice Hall
Ivan K. Cohen (2005) *Focus on Financial Management*. Imperial College Press
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 (2009), *Multinational Business Finance*, Tenth edition. Pearson
Roger C. Gibson (2008) *Asset Allocation: Balancing Financial Risk*, fourth edition. McGraw-Hill
Jeff Madura and Roland Fox (2011) *International Financial Management*, 2nd edition. Cengage Learning
Keith Pilbeam (2010) *Finance and Financial Markets*, third edition. Palgrave Macmillan
A. C. Shapiro (2009), *Multinational Financial Management*, ninth edition. John Wiley
Stephen Valdez and Philip Molyneux (2010) *An Introduction to Global Financial Markets*, 6th edition, Palgrave Macmillan

Journals

American Economic Review
Economic Journal
International Finance
Journal of Economic Perspectives

¹ In Semester I. A single weekly session in Semester II.

Journal of International Money and Finance
 Journal of Political Economy
 Quarterly Journal of Economics

Web Sites

- The Economist* (www.economist.com)
The Financial Times (www.ft.com)
The Wall Street Journal (wsj.com)
Briefing Notes in Economics (www.richmond.ac.uk/bne)
 The International Monetary Fund (IMF) (www.imf.org)
 The Organisation for Economic Co-operation and Development (OECD) (www.oecd.org)
 The World Bank (www.worldbank.org)
 The Bank for International Settlements (BIS) (www.bis.org)
 The European Union Online (europa.eu.int)
 The European Central Bank (ECB) (www.ecb.int)
 The Bundesbank (www.bundesbank.de)
 The Bank of England (www.bankofengland.co.uk)
 The Bank of Japan (www.boj.or.jp/en)
 The Federal Reserve Board (www.federalreserve.gov)
 NYSE Derivatives (globalderivatives.nyx.com)
 CME Group (www.cmegroup.com)
 Xe.com (currency data and news) (www.xe.com)
 OANDA (forex data) (www.oanda.com)
 Easy Forex™ (www.easy-forex.com/en/Main.aspx)
 OzForex (www.ozforex.com.au)
 The Risk Institute (riskinstitute.ch)
 Classic Financial Scandals (www.ex.ac.uk/~RDavies/arian/scandals/classic.html)
 Social Science Information Gateway (www.sosig.ac.uk/economics)
 WebEc: World Wide Web Resources in Economics (netec.mcc.ac.uk/WebEc.html)
 The CIA Factbook (www.cia.gov/cia/publications/factbook/index.html)

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

Change Log for this CSD:

Major or Minor Change	Nature of Change	Date Approved & Approval Body (School or AB)	Change Actioned by Academic
Minor	Updated List of Programme Outcomes	School: 11.11.16	

