

International Finance

Course Details

Course Designator & Number: DBLN 3022

Number of Credits: 3

Language of Instruction: English

Contact Hours: 45

Instructor: Onsite Faculty

Term: Fall 2024

Course Description

The International Finance module provides an understanding of finance in the international context. In a globally integrated world, it has become imperative to trade, invest, and conduct business operations internationally. The course exposes the students to the opportunities and risks associated with international finance. As the world has become more integrated due to deregulation of financial markets, product innovation, and technology, capital markets have kept pace with this integration. The study of international finance has therefore become essential and builds upon the understanding of theoretical concepts of finance and their adaptation to the international context. The course coverage includes historical perspectives and foundations of international finance, the foreign exchange markets and exchange rate determination, exposure management, and financial management of a multinational firm. The course also helps students examine the current economic landscape through topical discussions of current economic and political development and their impact on international finance.

Course Objectives

Upon successful completion of this course, students are able to:

- Explore the political and economic contexts within which international finance operates
- Theorize aspects of the principles of finance in an international context

- Conceptualize the operations and key issues surrounding global financial processes and institutions
- Articulate how the financial management of a multinational firm functions

Methodology

Experiential Learning & Field Visits

Experiential learning is an essential component of education abroad, and participation in field studies is a required part of coursework. In this course, students explore the city in which they are studying using a variety of methods. This provides the opportunity to gain nuance and perspective on the host context and course content, as well as to collect information and resources for assigned papers, projects, and presentations.

- Field study to local stock exchange or bank
- Co-curricular activity such as guided walking tour with themes relevant to the course

Required Reading / Materials

The below readings and resources are representative of what will be assigned as required in this course, but may vary slightly in the term syllabus.

Wherever possible, required readings are made accessible through the online library or Canvas. Students are responsible for obtaining all required readings.

Each course utilizes Canvas as its LMS. Students are expected to check Canvas regularly for updates and deadlines. Canvas is also the primary platform for contacting your instructor in case of questions or concerns about the course.

Required

Eun, C., Resnick B, & Chuluun, T. (2024)—International Financial Management (McGraw Hill, 10th Edition)

Grading

The instructor assesses students' mastery of course learning objectives by using the forms of assessment below. Each of these assessments is weighted toward the final grade. The Assessment Details section provides further details for each.

Grading Rubric

Letter Grade	Score or Percentage	Description
A	93–100	Achievement that is outstanding relative to the level necessary to meet course requirements.
A-	90–92	Achievement that is significantly above the level necessary to meet course requirements.
B+	87–89	
B	83–86	
B-	80–82	Achievement that meets the course requirements in every respect.
C+	77–79	
C	73–76	
C-	70–72	Achievement that is worthy of credit even though it fails to fully meet the course requirements.
D+	67–69	
D	60–66	
F	0–59	Represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.

Summary of How Grades Are Weighted

Assignments	Percentage of Grade
Participation in Class	20%
Midterm Exam	20%
Group Presentation	20%
Individual Research Paper	20%
Final Exam	20%
Overall Grade	100%

Assessment Details

This section provides a brief description of each form of assessment listed above. Forms of assessment may be slightly modified in the term syllabus.

Engagement (20%): Students are expected to be engaged in class, to have read the CEA CAPA Engagement Policy, and to understand the Class Engagement Rubric that outlines how engagement is graded.

Class Presentation Assessment Guidelines (20%): Students will be assigned into groups, and given a case to research and present to the class. Groups are responsible for meeting independently to prepare their presentation on their assigned date. The presentation should include an outline, relevant theoretical background, data, and conclusions for the case study. Each presentation is limited to 10 slides and 15 minutes, after which the presenting group will facilitate a question and answer session with the class. Students will be given feedback on their presentations and will be expected to incorporate this feedback into their final research paper submissions.

Research Paper (20%): Using the course topics as a basis, students will identify a case and write a research paper that includes: (1) theoretical discussion; (2) overview of the selected case; and (3) a thorough analysis.

For example, students may choose current or recent economic/financial events or alternatively examine an event/s from a historical perspective. Through the paper, students will analyze:

- How does the chosen case or evidence fit into the theoretical discussion?

- Are the facts consistent with the theory?
- Explain why (or why not).
- What lessons did you learn from this project?

Papers should be written in the style and citation format appropriate for their chosen discipline, including headers and subheadings, and citing references where appropriate to all sources. There are 2 opportunities to provide status updates and receive faculty feedback on the research paper (Units 6 and 11). These updates can either be an oral or a written brief report which will enable the Instructor to provide you with the necessary guidance and feedback. In addition, students may also request faculty feedback via Canvas or through office hours.

Midterm Exam (20%): Students will be tested on all topics covered in the first half of the course. The midterm exam will contain a short answer section (5%) and an essay (15%).

Final Exam (20%): Students will be tested on all topics covered in the entirety of the course. The final exam will contain a short answer section (10%) and an essay (10%).

Course Content

Unit 1

Topics

- Introduction to International Finance

Activities

- Introductions, student interests, relevant prior coursework and experience
- Course map, format, required work and assessments
- Review of research paper guidelines—detailed guidelines posted in this syllabus

Readings & Assignments

- Chapter 1

Unit 2

Topics

- International Monetary System and Balance of Payments

Activities

- Historical perspectives of the International Monetary System
- Gold standard
- Exchange rate regimes—pegs, fixed, floating, currency boards, etc. The Euro and European Monetary System
- Review of historical currency crises Overview of Balance of Payments

Readings & Assignments

- Chapter 2, 3

Unit 3

Topics

- Foreign Exchange Markets, Exchange Rate Determination and Currency Derivatives—part 1

Activities

- Function and structure of the foreign exchange market
- International finance in practice—market mechanics
- Spot and forward rate determination
- Interest Rate parity

Readings & Assignments

- Chapter 5, 6

Unit 4

Topics

- Foreign Exchange Markets, Exchange Rate Determination and Currency Derivatives—part 2

Activities

- Interest rate parity (contd.)
- Purchasing Power Parity and International
- Fisher Effect Forecasting foreign exchange rates
- Foreign exchange futures and options
- Other hedging strategies—Money Market Hedge Carry trades

Readings & Assignments

- Chapter 7

Unit 5

Midterm Exam

Unit 6

Topics

- World Financial Markets and Institutions—part 1

Activities

- International Banking and Money Markets
- International Bond Markets International Equity Markets
- Research paper 1st status update

Readings & Assignments

- Chapter 11, 12, 13
- Research Paper 1st Status Update

Unit 7

Topics

- Break

Unit 8

Topics

- Field Study

Readings & Assignments

- Students may be given readings associated with the selected active learning activity.

Unit 9

Topics

- World Financial Markets and Institutions—part 2

Activities

- Interest Rate and Currency Swaps
- International Portfolio Investment

Readings & Assignments

- Chapter 14, 15

Unit 10

Topics

- Foreign Exchange Exposure and Management

Activities

- Management of Economic, Transaction and Translation Exposure

Readings & Assignments

- Chapter 8, 9, 10

Unit 11

Topics

- Financial Management of the Multinational Firm – part 1

Activities

- Foreign Direct Investment & Cross Border Acquisitions
- International Capital Structure & the Cost of Capital Research paper 2nd status update

Readings & Assignments

- Chapter 16, 17
- Research Paper 2nd Update

Unit 12

Topics

- Financial Management of the Multinational Firm—part 2

Activities

- International Capital Budgeting
- Multinational Cash Management
- Group presentation limited to 10 slides & 15 minutes (max)

Readings & Assignments

- Chapter 18, 19

- Group Presentations

Unit 13

Topics

- Financial Management of the Multinational Firm—part 3

Activities

- International Trade Finance
- International Tax Environment and Transfer Pricing Course review—what have we learned?

Readings & Assignments

- Chapter 20, 21
- Individual Research Paper Submission deadline

Unit 14

Final Exam

Policies

Academic Policies

Students are expected to review and understand all CEA CAPA student policies, including our Academic Policies and Engagement Policy. CEA CAPA reserves the right to change, update, revise, or amend existing policies and/or procedures at any time. Additional requirements that may be associated with a specific course or program are addressed in the term syllabus.

Student Learning & Development Objectives

CEA CAPA has identified Student Learning and Development Objectives (SLDOs) for all programs in all locations: content in context, navigating differences, power and equity, critical thinking and intellectual curiosity, career and professional development, and sustainability and migration. These are meta-level learning objectives that transcend coursework and are infused across all elements of program delivery, beyond specifics of course offerings, addressing student learning holistically and framing it in a larger learning context.

Attendance Policy

Students are expected to be on time and attend all classes while abroad. Many instructors assess both attendance and participation when assigning a final course grade. Attendance alone does not guarantee a positive participation grade; the student should be prepared for class and engage in class discussion. See the on-site syllabus for specific class requirements.

University of Minnesota Policies & Procedures

Academic integrity is essential to a positive teaching and learning environment. All students enrolled in University courses are expected to complete coursework responsibilities with fairness and honesty. Failure to do so by seeking unfair advantage over others or misrepresenting someone else's work as your own can result in disciplinary action. The University Student Conduct Code defines scholastic dishonesty as follows:

Scholastic Dishonesty

Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis.

Within this course, a student responsible for scholastic dishonesty can be assigned a penalty up to and including an “F” or “N” for the course. If you have any questions regarding the expectations for a specific assignment or exam, ask.

Student Conduct

The University of Minnesota has specific policies concerning student conduct. This information can be found [on the Learning Abroad Center website](#).