International Finance

Academic Year: (2022 / 2023) **Review date: 01-04-2022**

Department assigned to the subject: Business Administration Department

Coordinating teacher: GUTIERREZ URTIAGA, MARIA

Type: Compulsory ECTS Credits : 6.0

Year : 4 Semester : 1

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Financial Economics
Macroeconomía

OBJECTIVES

After this course the student should be able to:

-Have a better understanding of the role of International Financial Management in modern corporations.
-Understand the risk issues raised by foreign operations.
-Asses the role of financial derivatives to hedge risk in the international markets
-Analyse investment decisions in an international context.

Moreover, the course aims to contribute to general long-term learning goals to ensure that upon graduation students will be ethical reasoners; critical thinkers; adept in quantitative analysis; and knowledgeable in both general business concepts and specific disciplines.

DESCRIPTION OF CONTENTS: PROGRAMME

Unit 1 Introduction to International Finance
Unit 2 Measuring the Wealth of Nations
Unit 3 Exchange Rates and Forex Markets
Unit 4 Exchange Rate Systems
Unit 5 Interest Rate Parity
Unit 6 Purchasing Power Parity
Unit 7 Real Exchange Risk for Exporters, Importers and Domestic Firms
Unit 8 International Financing
Unit 9 International Investments
Unit 10 Country and Political Risk
Unit 11 Hedging

LEARNING ACTIVITIES AND METHODOLOGY

Theory, methods and empirical evidences will be presented during the theory sessions.
Discussion of the exercises and cases will be done during the reduced group sessions.

ASSESSMENT SYSTEM

Course evaluation is based on:
1. Problem sets and case studies: 20%
2. Midterm exam: 30%
3. Final Exam: 50%

% end-of-term-examination:	50
% of continuous assessment (assigments, laboratory, practicals…):	50

BASIC BIBLIOGRAPHY

- Geert Bekaert and Robert J. Hodrick ¿International Financial Management¿, Cambridge University Press 3ª ed, 2017

ADDITIONAL BIBLIOGRAPHY

- Eiteman, D.; Stonehill, A. I.; Moffet, M. H . Multinational Business Finance , Pearson, 15th edition, 2019

- Hillier, David; Grinblatt, Mark; Titman, Sherindan Financial markets and corporate strategy, McGraw-Hill Publishing Co., 2011
- Shapiro, A. C. Multinational Financial Management, John Wiley & Sons, Inc. 11th edition, 2019

BASIC ELECTRONIC RESOURCES

- . Chicago Mercantile Exchange: http://www.cme.com
- . The Atlas of Economic Complexity by the Growth Lab at Harvard University: http://https://atlas.cid.harvard.edu/countries/71/export-basket
- . NASDAQ OMX PHLX: http://www.nasdaqtrader.com/Micro.aspx?id=phlx
- . Intercontinental Exchange (old London International Financial Futures Exchange), now with NYSE: http://globalderivatives.nyx.com
- . The Atlas of Economic Complexity by the Growth Lab at Harvard University: https://atlas.cid.harvard.edu/countries/71/export-basket
- . Official Euro site with Euro Converter: http://www.ecb.europa.eu/euro/html/index.en.html
- . Central Banking Resource Center: http://www.bis.org/cbanks.htm
- . The Economist: http://www.economist.com/
- . Global Financial Data: http://www.globalfinancialdata.com/