

Academic Year: ( 2023 / 2024 )

Review date: 24-04-2023

Department assigned to the subject: Business Administration Department

Coordinating teacher: GUTIERREZ URTIAGA, MARIA

Type: Electives ECTS Credits : 6.0

Year : 4 Semester :

**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 (both for the ordinary and extraordinary sitting) is based on:

1. Problem sets and case studies: 20%
2. Midterm exam: 30%
3. Final Exam: 50%

<b>% end-of-term-examination:</b>	50
<b>% of continuous assessment (assignments, laboratory, practicals...):</b>	50

**BASIC BIBLIOGRAPHY**

- Geert Bekaert and Robert J. Hodrick International Financial Management, Cambridge University Press 3<sup>a</sup> ed, 2017

#### ADDITIONAL BIBLIOGRAPHY

- Shapiro, A. C. Multinational Financial Management, John Wiley & Sons, Inc. 11th edition, 2019
- 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

#### BASIC ELECTRONIC RESOURCES

- . Chicago Mercantile Exchange: <http://www.cme.com>
- . 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/>