

Academic Year: ( 2024 / 2025 )

Review date: 18-05-2024

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**

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

Course evaluation is based on:

1. Problem sets: 20%. Regular class attendance is necessary to get grades for problem sets. This course is not appropriate for students that may have attendance problems (for work or study related reasons or other reasons) and they should not enrol into this course. No exceptions will be made.
2. Midterm exam: 30%
3. Final Exam: 50%

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

The dates of the exams are known well in advance of the beginning of the course. There will be no changes to these dates to accommodate any personal circumstances, other than the ones established by the University regulation (such as coincidence of two exams on the same date). Please take this into account before enrolling in this course.

#### 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/>