1. Presentation of the subject

This course focuses on the important aspects of the international financial management.

We will cover the main characteristics of the environment of international finance economics, the discussion of the organization of the markets for foreign exchange, the role of different derivative instruments, and finally the origin and the evolution of the current financial turmoil.
2. Competences to be attained

A prerequisite to follow this course is a good knowledge in macroeconomics, finance and international economics.

**General Competences**

G1. A correct comprehension and good understanding of written academic texts and textbooks.


G7. The ability for critical and autonomous reflections.

G9. A demanding and rigorous discipline focused on work.

G10. A proactive attitude when learning new issues, a quality highly appreciated in a professional life.

G11. Apply the knowledge and understanding, and problem solving abilities in new or unfamiliar environments.

G16. Use the information properly when suggesting proposals or solving problems.

G17. Use an economic reasoning when making decisions in risky environments.

G18. The ability to integrate knowledge and handle complexity.

**Specific Competences**

E1. Use economic models of international trade to analyze the impact of business decisions on main macroeconomic variables.

E2. Know how an enterprise goes global and the possible ways to locate it in overseas markets.
E3. Evaluate both opportunities and limitations in overseas markets with the aim of taking best decisions during the process of going global.

E4. Implement adaptation strategies in marketing and commercialization of products and services in overseas markets.

E5. Understand the limitations and opportunities of dealing in international financial markets.

E6. Know the main distinctions among different accounting systems and how they can be adapted through international accounting regulations.

E7. Take fiscal decisions on best locations in an international business environment while calculating the impact on management and profit.

3. Contents

Part 1: Environment of international finance economics

Chapter 1: Introduction
Chapter 2: The Theory of Exchange Rate Determination
Chapter 3: The International Monetary System
Chapter 4: Parity Conditions in International Finance

Part 2: The Currency and Derivative Markets

Chapter 5: The Foreign Exchange Market
Chapter 6: Futures and Options on Foreign Exchange
Chapter 7: Swaps
Chapter 8: Central Clearing Counterparties

Part 3: The Financial Turmoil 2007-2010

Chapter 9: The Roots of the financial crisis
Chapter 10: The Evolution and Consequences of the credit crisis
4. Evaluation

The course grade will be determined by student’s performance in the following areas:

**Seminars and Proactive Participation: 30%**

The seminar sessions consist on problem sets which must be solved and discussed in class with the TA professor. The students must attend seminar classes regularly and contribute constructively to class discussions. **Attendance to seminars is compulsory.**

Solving the problem sets provide the best opportunity to apply the concepts presented in the theoretical lectures.

The seminar groups must be balanced. You must attend your corresponding subgroup. If you cannot attend your assigned group (for a major reason), let me know at the beginning of the course. Otherwise, any change will not be allowed.

In addition, you have to send an email (please, one per group) to your TA indicating the students who conform your seminar subgroup. The deadline to send this information is January, 20th. After this date, the TA will complete the subgroups.

Problem sets must be solved in groups and submitted to your corresponding TA at the beginning of each seminar session. You have to deliver one copy, handed in, to your TA. She/he will correct and evaluate your work, and it will be returned to you the next seminar lecture. Each group will present one seminar in class.

The seminar part will be graded as follows:

- 20% will be the result of how the student solves each of the seminars.
- 10% will come from the student’s presentation of a seminar in class.

**Final Exam (comprehensive): 70%**

The final exam will be based on a set of comprehensive (not multiple choice questions) theoretical and practical questions about the topics covered during the
lectures and the seminar sessions. The structure of the exam will be discussed in class at the end of the course and some samples from previous years will be distributed among the students.

The official date for this exam is April, 05th (Tuesday, 09-11h). Please take into account this date. Changes will not be allowed.

To pass the course successfully, both parts (final exam and seminars) must be passed separately with a minimum of four out of ten in order to average and complete this course successfully. The grades of your seminar sessions will be communicated to your group before the final exam.

The retake exam will take place in May, either the 07th or 14th (Saturday). The student will be able to retake only the final exam mark (and not the seminars!) whenever he/she has taken the final exam on April. This retake will be through a new exam (also requiring a minimum of four out of ten to average it).

The above rules will be explained, in detail, the first day of class.

5. Bibliography and Teaching Resources

5.1. Basic bibliography:

5.2. Additional bibliography:

5.3. Teaching resources:
Lecture notes and other supplementary material may be uploaded on the course website at least one day before the scheduled lecture. The student is responsible for printing them.

International Finance (21141) Course 2015-2016
6. Methodology

The course will last 10 weeks. The professor will teach the classes of theory for the joint groups. In addition there will be 6 seminars in smaller subgroups dedicated to deepening understanding of the class material, to discuss solutions to sample problems, and implement real world applications of the main concepts studied in class.

These assignments will be either uploaded on the course website or distributed in class at least one week in advance of the due date.

The seminar assignments are meant to help students review the concepts covered during the previous weeks and to help them prepare for the final exam.

Students will work and submit solutions to seminars in groups. Each group will present one seminar in class, as is explained in section 4.

Late homework will not be accepted after the deadline.

We will occasionally discuss supplemental cases as well as current news related to the material covered in class. All students are expected to come prepared for in-class case/news discussions.

The final exam will be comprehensive in nature through a combination of multiple choices: questions and exercises. Details about this exam will be discussed during the course.

The room for the final exam will be posted or announced in class as soon as the information becomes available.

If a student is caught trying to cheat during the final exam, the student will automatically fail the course.
7. Activities Planning

The information given below represents a tentative lecture and assignment schedule for this course. Any adjustment will be announced beforehand in class.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>07-10 Jan</td>
</tr>
<tr>
<td></td>
<td>Chp. 1 and Chp.2</td>
</tr>
<tr>
<td>2</td>
<td>11-17 Jan</td>
</tr>
<tr>
<td></td>
<td>Chp. 2 and Chp.3</td>
</tr>
<tr>
<td>3</td>
<td>18-24 Jan</td>
</tr>
<tr>
<td></td>
<td>Chp. 3 and Chp.4</td>
</tr>
<tr>
<td>4</td>
<td>25-30 Jan</td>
</tr>
<tr>
<td></td>
<td>Chp. 4 and Chp.5</td>
</tr>
<tr>
<td>5</td>
<td>01-07 Feb</td>
</tr>
<tr>
<td></td>
<td>Chp. 5</td>
</tr>
<tr>
<td></td>
<td>Seminar 1</td>
</tr>
<tr>
<td>6</td>
<td>08-14 Feb</td>
</tr>
<tr>
<td></td>
<td>Chp. 6</td>
</tr>
<tr>
<td></td>
<td>Seminar 2</td>
</tr>
<tr>
<td>7</td>
<td>15-21 Feb</td>
</tr>
<tr>
<td></td>
<td>Chp. 7</td>
</tr>
<tr>
<td></td>
<td>Seminar 3</td>
</tr>
<tr>
<td>8</td>
<td>22-27 Feb</td>
</tr>
<tr>
<td></td>
<td>Chp. 8 and Chp.9</td>
</tr>
<tr>
<td></td>
<td>Seminar 4</td>
</tr>
<tr>
<td>9</td>
<td>29 Feb-06 Mar</td>
</tr>
<tr>
<td></td>
<td>Chp. 9 and Chp.10</td>
</tr>
<tr>
<td></td>
<td>Seminar 5</td>
</tr>
<tr>
<td>10</td>
<td>07-13 Mar</td>
</tr>
<tr>
<td></td>
<td>Chp. 10</td>
</tr>
<tr>
<td></td>
<td>Seminar 6</td>
</tr>
</tbody>
</table>