



# Course Syllabus

## ECO6610 International Finance

### Introduction

SISUSP is a short-term course-learning program for international students and delivered by Xianda College of Economics and Humanities Shanghai International Studies University. Students get credits transferred towards their home institution when meeting academic requirements in three weeks of study.

Students also are inspired to connect with the local and international community in this program through practical learning that focus on cross-culture, Asian business, rapid development of cities and some of the top enterprises in China.

<b>Academic Level</b>	Postgraduate	<b>Credits</b>	6
<b>Teaching Timetable</b>	TBA		
<b>Instructor</b>	TBA		
<b>Study Mode</b>	<ol style="list-style-type: none"> <li>1. Online</li> <li>2. Face-to-face</li> </ol>		
<b>Campus</b>	<p>No. 390 Tiyuhui East Road, Hongkou District Shanghai 200030, China</p> <p>The course might be moved to online delivery due to COVID-19 pandemic. Students will be notified once the decision is made.</p>		



<b>Credit Hours</b>	The number of credit hours of this course is 40 and equals to the credits of a standard semester-long Australian university course.
<b>Total Contact Hours</b>	The course contains a total of 55 contact hours, which consists of: 1. Orientation: 1 2. Research: 2 3. Critical review study: 4 4. Lecturing: 26 5. Seminars: 2 6. Tutorial: 4 7. Assignments: 3 8. Workshop: 2 9. In-class and after-class activities: 8 10. Revision: 1 11. Final exam: 2
<b>Required Textbooks</b>	1. Madura, J. (2016). International Financial Management, 13th Edition, Cengage Learning. 2. Shapiro, A.C. (2014), Multinational Financial Management, 10th Edition, Wiley.
<b>Prerequisite</b>	N/A
<p style="text-align: center;"><b>*Important* Academic Integrity</b></p> <ul style="list-style-type: none"> <li>• Academic integrity is <i>‘the expectation that teachers, students, researchers and all members of the academic community act with: honesty, trust, fairness, respect and responsibility.’</i> Breaching academic integrity is also known as ‘academic misconduct’ or ‘academic dishonesty’.</li> <li>• All higher education students are expected to uphold academic integrity during their studies. An important way of upholding your academic integrity is by contacting your teachers or your school if you are having study problems and working with them on solutions. Studying and learning provides the knowledge expected of a graduate from your course but any form of cheating means that you could miss important professional knowledge and practice that you need to succeed in your future career.</li> <li>• Academic dishonesty or cheating includes acts of plagiarism, misrepresentation, fabrication, failure to reference materials used properly and forgery. These may include but are not limited to claiming the work of others as your own, deliberately applying false and inaccurate information, copying the work of others in part or whole, allowing others in the course to copy your work in part or whole, failing to appropriately acknowledge the work of</li> </ul>	



other scholars/authors through acceptable referencing standards, purchasing papers or writing papers for other students and submitting the same paper twice for the same subject.

- The foundation of good academic work is honesty. Maintaining academic integrity upholds the standards of the University.
- The responsibility for maintaining integrity in all the activities of the academic community lies with the students as well as the faculty and the University. Everyone in this community must work together to ensure that the values of truth, trust and justice are upheld.

Academic dishonesty affects the University's reputation and devalues the degrees offered.

- The University will impose serious penalties on students who are found to have violated the Policy. The following penalties may be imposed: Expulsion, Suspension, Zero mark/fail grade, Marking down, Re-doing/re-submitting of assignments or reports, and Verbal or written warning.

## Course Overview

This course provides students with the basic theoretical and practical knowledge needed to manage the financial functions of companies operating in multiple countries. This includes the theory and evidence necessary to understand international capital and foreign exchange markets. In particular, the course covers topics such as international diversification, foreign direct investment decisions, the cost of capital for transnational corporations, financial and political risk, the role of transnational Banks and the financial benefits of euro currencies and euro bonds, short-term financing and international stock markets. The general focus is to identify and manage risks associated with exchange rate fluctuations and changes in government policy.

## Course Goals

- By the end of this course you should be able to:
- Analyse and discuss the international macro-economic and political environment.
- Describe the techniques and strategies employed by key decision makers who operate in the international financial arena.
- Identify and select the most appropriate risk management technique used to hedge risk, such as options and futures used in managing exposure to foreign exchange fluctuations.
- Analyse common difficulties faced by multinational companies whilst conducting financial management in different geographical regions.
- Develop knowledge on the models of international capital budgeting analysis and their role in making international financial management decisions.
- Compare, contrast, and assess varying exchange rate systems and governance systems of various countries.



## Class Topics

Day	Chapter
1	Multinational Financial Management and the International Monetary System
2	Exchange Rate Determination and the Foreign Exchange Market
3	International Financial Markets Global Capital Markets: Currency exchange, Credit, Bond and Stock Markets
4	Parity Conditions: Purchasing Power Parity and the Fisher Effect
5	Currency Derivatives; Currency futures, currency options and currency swaps
6	Interest Rate Parity and International Parity Conditions International Arbitrage and Interest Rate Parity Interest Parity Relationship and Forecasting International Parity Relationships Forecasting Exchange Rates
7	Foreign Exchange Exposure and Management Exchange Rate Fluctuations; Managing Transaction Exposure
8	International Portfolio Diversification FDI and multinational capital budgeting Multinational Treasury Management; Sourcing Debt Internationally Sourcing Equity Internationally
9	Swap and Interest Rate Risk Management Interest Rate and Currency Swaps
10	DFI & Country Risk Analysis Direct Foreign Investment and market entry Risk analysis and risk management techniques
11	Capital budgeting for multinational firms
12	The restructuring of multinational firms and their capital structures Financing International Trade Real options and cross-border investment strategies
13	Political Risk Management
14	Revision
15	Final exam



## Assessments:

Class participation 10%

Class works 20%

Critical review 20%

Final exam 50%

## Preparation/Participation and In-class Activities

Throughout the course, we will complete various in class activities. These exercises are tailored towards helping you further understand and apply the key concepts covered in the textbook. Class attendance and participation in session activities are required and rated. There is much more material in your reading assignments than we have time to discuss in class. In-class activities will delve into the most important issues. No makeup assignments are allowed.

Grade	Grade description	Grade scale %
HD	High Distinction	100 - 85
D	Distinction	84 - 75
C	Credit	74 - 65
P	Pass	64 - 50
F	Fail	49 and below

## Grade Descriptors:

### High Distinction 85-100

- Outstanding work that comprehensively attains the required outcome(s) showing superior knowledge, understanding, analysis, critical interpretation, presentation, and originality. Work is well-written and stylistically sophisticated, including appropriate referencing, clarity, and some creativity where appropriate. All criteria addressed to a high level.

### Distinction 75-84

- Excellent work that substantially attains the required outcome(s) showing a high level of knowledge, understanding, analysis, critical interpretation, presentation,



and some originality. Treatment of material evidences an advanced understanding of ideas Demonstration of initiative, complex understanding, and analysis Work is well-written and stylistically strong. All criteria addressed strongly.

#### **Credit 65-74**

- Work that soundly attains the required outcome(s) showing a good level of knowledge, understanding, analysis, presentation, and some evidence of critical interpretation. Treatment of material displays a good understanding of ideas. Work is well-written and stylistically sound, with a minimum of syntactical errors. All criteria addressed clearly.

#### **Pass 50-64**

- Work that satisfactorily attains the required outcome(s), with adequate knowledge, understanding, analysis, and presentation. Treatment of material indicates a satisfactory understanding of ideas. Work is adequately written, with some syntactical errors. Most criteria addressed adequately.

#### **Fail 0-49**

- Work that fails to attain the required outcome(s), lacking in basic knowledge, understanding, analysis, and presentation. Treatment of ideas indicates an inadequate understanding of ideas Written style inappropriate to task; major problems with expression. Most criteria not clearly or adequately addressed.



## About Xianda College of Economics and Humanities Shanghai International Studies University

Xianda College of Economics and Humanities, Shanghai International Studies University, was established in 2004 and was one of the first full-time independent institutions of higher education in Shanghai approved by the Ministry of Education. It now has two campuses: Hongkou and Chongming. Hongkou Campus is located in the heart of northeast downtown in Shanghai, adjacent to Shanghai International Studies University, whereas Chongming Campus is situated in Chenjia Town, Chongming District, with a beautiful neoclassical Tuscan style architecture and unique ecological environment complementing each other.

Benefiting from the support of the excellent teaching faculty and expertise in foreign language teaching and research of Shanghai International Studies University, we have built a talent cultivation system. It lays a strong emphasis on language learning, economics subjects and coordinated development of other disciplines (professional learning and English). Currently, it offers 22 undergraduate programs in six main fields of literature, law, economics, management, education and art, with approximately 8000 full-time undergraduate students.

Adhering to the open mode of running the college, we take the path of globalization of higher education by introducing advanced educational concepts and management modes adopted in leading domestic and foreign universities. We have introduced talented returnees, accounting for more than 50% of the teaching faculty, and established solid, friendly and cooperative partnerships with over 100 prestigious universities in 16 countries and regions, including the United Kingdom, the United States, Canada, Australia, Germany, France, Spain, Switzerland, Japan, Korea, Egypt, Jordan, the United Arab Emirates, Singapore, Hong Kong, China and Taiwan, China. Through programs of credit transfer, co-operative internship, student exchange, government scholarship, dual bachelor's degrees and combined bachelor's and master's degree programs, it offers students with a variety of overseas opportunities to involve them in different international contexts to develop their global outlook and to improve their cross-cultural communication skill.

We embrace students' individuality and enhances their foreign language skills by offering a varied, wide selection of English or bilingual classes.