



Course Outline for International Financial Markets

国际金融市场与管理课程 大纲

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授课教师： 丁浩

Graduate School of Business

Guangdong University of Foreign Studies

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|----------------------------|---------------------------------|------------------------|--|
| Course title: | International Financial Markets | Pre-requisites: | |
| Course code: | | Nature: | |
| Credit hours: | | Credit points: | |
| Instructor name: | Hao Ding | Class time: | |
| Instructor title: | | Classroom: | |
| Office: | | Phone: | |
| Office hours: | | Email: | |
| Teaching Assistant: | | Website: | |

I. Course Description

This course provides MBA students with a framework for making corporate financial decisions in an international context. The objectives of this course are two-fold: first, to study a fundamental understanding of the macroeconomic environment governing international business, second, to study specific problems and questions that confront the financial manager of a firm operating in international markets. A spectrum of topics will be discussed in the area of international financial management. The topics covered include: introduction to international finance, international monetary systems and balance of payments; how to measure currency exposure; how to structure financial and operational hedges for currency risk; how to structure a global financing program; how to raise capital in international equity and bond markets. Three cases will be studied in the classes, and most will be conducted by all students. The course will be of interest to graduate students who are interested in international financial issues, as well as students who wish to work in a multinational corporate environment.

Mapping of the course content against the AMBA Criteria (please tick relevant boxes)

| Tick | AMBA Criteria |
|------|--|
| √ | |
| √ | (i) the concepts, processes and institutions in the production and marketing |

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|--|---|
| | of goods and/or services and the financing of business enterprise or other forms of organization; |
| | (ii) the concepts and applications of accounting, of quantitative methods, and management information systems including IT applications; |
| | (iii) organization theory, behavior, HRM issues and interpersonal communications; |
| | (iv) the processes and problems of general management at the operational and strategic level; |
| | (v) Macro and micro economics |
| | (vi) business research methods and consultancy skills; |
| | (vii) the impact of environmental forces on organizations, including: legal systems; demographics; ethical, social, and technological change issues; |
| | (viii) explicit coverage of the ability to respond to and manage change; |
| | (ix) business policy and strategy; |
| | (x) leadership and entrepreneurship; |
| | (xi) an understanding of the impact of sustainability, ethics and risk management on business decisions and performance; |
| | (xii) further contemporary and pervasive issues, such as creativity, enterprise, innovation, e-commerce, knowledge management, and globalization; |
| | (xiii) the international dimension to the above, including political risk and contemporary processes of regionalization, emerging markets, global governance and globalization. |

II. Course Learning Outcomes

On completion of this course, students should be able to:

1. Define the basic terms and concepts related to international finance
2. Outline the structure of the international monetary system

3. Identify and describe rationale and mechanism of basic international financial instruments
4. Explain how foreign exchange market performs
5. Compare and contrast the different types of foreign currency derivatives
6. Summarize how international bond and equity markets help a business raise capital
7. Calculate and explain interest rate risk measures
8. Apply the principles of international finance to practical problems (case studies)

Alignments of Program and Course Learning Outcomes (CLO):

| Program Learning Outcomes | Course learning outcomes (CLO) # |
|---|----------------------------------|
| In-depth knowledge of business and management | 1 2 3 4 5 6 7 |
| Analytical skills and critical judgment | 3 4 5 6 7 8 |
| Communication and social skills | 8 |
| Leadership and strategic thinking | 6 8 |
| Diversity awareness | 3 5 6 |
| Ethical and social understanding | 8 |

III. Syllabus

General description of the teaching arrangement

Tentative Teaching Schedule

| Session | Date | Topic | Reading | Cases/Exercis | Writing Assignment Due |
|---------|------|---------------------------------------|---------|--|------------------------|
| 1. | | Introduction to International Finance | | | |
| 2 | | International Monetary System | | | |
| 3 | | Balance of Payment | | Case 1: Butler Lumber Company (Harvard: 9-292-013) | |

| | | | | | |
|----|--|---|--|--|--|
| 4 | | The Foreign Exchange Market | | | |
| 5 | | International Parity Conditions and Exchange Rate Determination | | | |
| 6 | | Foreign Currency Futures and Options | | Case 2: Hong Kong Linked Exchange Rate System | |
| 7 | | International Banking and Money Market | | | |
| 8 | | International Bond Market | | | |
| 9 | | International Equity Markets | | | |
| 10 | | Interest Rate and Currency Swaps | | | |
| 11 | | Review | | Case 3: The Walt Disney Company's Yen Financing (Harvard: 9-287-058) | |

IV. Prescribed Texts and Reference Materials

Textbook

Cheol S. Eun, Bruce G. Resnick, Sanjiv Sabherwal. International Finance (6e). McGraw-Hill, 2011.

Reference Materials

Laurence Copeland. Exchange rate and international finance (5e). Pearson, 2009.

Frederic S. Mishkin, Stanley Eakins. Financial Markets and Institutions (7e). Prentice Hall, 2011.

Harvard Business School (9-292-013) Case: Butler Lumber Company

Harvard Business School (9-287-058) Case: The Walt Disney Company's Yen Financing

Hong Kong's Linked Exchange Rate system

(<http://www.hkma.gov.hk/eng/publications-and-research/hkma-background-briefs/hkmalin.shtml>)

Websites

- New York Stock Exchange (<https://nyse.nyx.com/>)
- Hong Kong Exchanges and Clearing Limited (<http://www.hkex.com.hk/>)
- Shanghai Stock Exchange (<http://english.sse.com.cn/>)
- International Finance Corporation (<http://www.ifc.org>)
- Yahoo Finance (<http://finance.yahoo.com/>)
- Treasury Direct (<http://www.treasurydirect.gov/>)
- Financial Times (<http://www.ft.com/>)
- Hong Kong Monetary Authority (<http://www.hkma.gov.hk/>)

V. Teaching and Learning Methods, and Learning Outcome Assessment

| Learning Outcomes | Teaching & Learning Methods | Assessment |
|---|-----------------------------------|---|
| 1. Define the basic terms and concepts related to international finance | Lecture | Final exam |
| 2. Outline the structure of the international monetary system | Lecture | Final exam |
| 3. Identify and describe rationale and mechanism of basic international financial instruments | Lecture Tutorial Case study | Final exam Homework Group-project |
| 4. Explain how foreign exchange market performs | Lecture | Final exam |
| 5. Compare and contrast the different types of foreign currency derivatives | Lecture Case study | Final exam Group-project |
| 6. Summarize how international bond and equity markets help a business raise capital | Lecture Case study | Final exam Group-project |
| 7. Calculate and explain interest rate risk measures | Lecture Tutorial | Final exam Homework |

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|---|------------|---------------|
| 8. Apply the principles of international finance to practical problems (case studies) | Case study | Group-project |
|---|------------|---------------|

VI. Assignments and Requirements

VII. Composition of Total Marks and Criteria

| Items | % of grade | Due |
|---------------|------------|-----|
| Attendance | 5 | |
| Performance | 5 | |
| Homework | 10 | |
| Group-project | 15 | |
| Paper | 15 | |
| Final Exam | 50 | |

Grading Criteria for each item

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VIII. Academic Misconduct

The University takes any form of academic misconduct seriously. Academic misconduct on the part of a student, which involves amongst other forms of misconduct: Cheating, Plagiarism and Collusion.

Plagiarism is the use of another scholar's work as your own. It includes not only the re-presentation of an entire article or section in a paper, but also (most commonly) the paraphrasing or rearrangement of another's material without proper attribution. Summarizing someone else's ideas and putting them in your own words does **not** free you from the obligation of acknowledging their work by way of appropriate citation and referencing. Failure to acknowledge material correctly is an offence against professional standards.

Most commonly, plagiarism exists when: the work submitted or presented was done, in whole or in part, by an individual other than the one submitting or presenting the work (this includes having another impersonate the student or otherwise substituting the work of another for the student's own in an examination or test); parts of the work are taken from another source without reference to the original author; or the whole work, such as an essay, is copied from another source.

Collusion includes inciting, assisting, facilitating, concealing or being involved in plagiarism, cheating or other academic misconduct by others.

IX. Student evaluation of member participation form (refer Appendix 1)

When undertaking syndicate work, each student must complete a 'student evaluation form' and it must accompany all group work assessments. This form is an evaluation, by the student, of each member's participation and cooperation in the various projects.

Where a student evaluation form is not submitted the lecturer will assume equal participation for that component of the program. If a form is not submitted, a student may not at a later time (such as after receiving a fail grade for the subject) claim that they did a larger proportion of the work than other team members. Where students' evaluation of other team members' input differs, the lecturer will determine the relative weighting of each member's participation based on the submitted student evaluation sheets. The lecturer's decision will be final.

APPENDIX 1

**STUDENT EVALUATION OF MEMBER PARTICIPATION
SEPARATE FORM TO BE COMPLETED BY EACH STUDENT**

In order to encourage equal participation on the part of all group members, each group member will complete and turn in an evaluation of the group members. This evaluation will indicate the percentage of contribution of each group member to the group's over all performance. An evaluation will accompany each group presentation and the written research project report.

Name of assessment component _____

Group: _____

Date: _____

Student's Name: _____

Project Mark: _____

| Student's name | % Participation |
|----------------|-----------------|
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The average of the awarded percentages should equal 100%. Individual marks are calculated by multiplying paper grade by the percentage awarded by peers. For example, If Joe Black was awarded 90% for his contribution to the project and the group received 36 out of 40 points for the project, Joe's mark would be 32.4%. However no individual can exceed the maximum points for the project.

Students can give each of the group members 100%. If this is done, each student receives the mark that was awarded to the total project (in the above example 36 points). No student should receive zero unless they really did nothing to contribute to the completion of the project (EG, did not go to meetings, did not complete assigned tasks, and did not contribute to the conceptualization of the project).

In completing this form take into account:

Willingness of the individual to carry out jobs assigned

Ability of the individual to meet deadlines

Cooperation with other team members

Quality of the individual's work



Assignment Form

SECTION 1: STUDENT TO COMPLETE

Name: _____

Student ID No. _____

Course: _____

Assignment No. _____

STUDENT DECLARATION

I declare that this assignment is my own work, that all sources of reference are acknowledged in full and it has not been submitted for any other course.

Signature _____ Date _____

SECTION 2: INSTRUCTOR TO COMPLETE

Date Received: _____

SECTION 3: INSTRUCTOR'S COMMENTS AND ASSESSMENT

STRENGTHS

- Good use of relevant study materials
- Detailed analysis of the questions
- Successful use of analysis
- Good illustrations
- Clear/logical structure
- Effective communication

WEAKNESSES

- Insufficient use of study material
- Superficial treatment of question
- Too descriptive-little/no analysis
- Lack of illustrations
- Weak structure
- Ineffective communication

Additional Comments:

Grade awarded for assignment _____