

Minitry of Education

University of Economics Ho Chi Minh City

Undergraduate Degree

Course: Finance-Banking

Minor course: Corporate Finance

Course Syllabus

1. Basic description

Name of the course: International Finance

Degree / Course: Finance and banking Program

Number of credits: 3

Total number of hours committed: 135

Teaching language: English

Prerequisites for this course: Micro - economics, Macro - economics, Theories of Probability and Maths Statistics, Advanced Mathematics, Econometrics, Corporate Finance I, Corporate Finance II, Capital Budgeting, Insurance.

2. Presentation of the course

The course focuses on understanding the theory of international finance and on its real world applications from a business point of view. Understanding the foreign exchange markets and world capital markets (banking, debt and equity) is necessary to carry out a sound and effective management of the firm from a financial point of view. And since multinational corporations face opportunities but also risks, financial management involves the design of appropriate strategies to hedge the company from actual and potential risks through the use of the different types of financial assets (such as derivatives) available for this purpose.

3. Competences to be achieved in the course

Own competences of the subject

Understanding and application of the systems and models that enable the financial flows and operations to be carried out.

General competences

<i>Instrumental competences</i>	<i>Competences for applicability</i>
Ability to relate concepts and knowledge from different areas.	Moral commitment and ethical sense
Ability to tackle and solve problems.	Generic systemic competences
Ability to take decisions in complex and changing environments.	Ability to think globally.
Oral and written competence in	Ability to apply acquired

communicating in English.	knowledge and skills.
	Ability to use quantitative criteria and qualitative insights when taking decisions.
	Ability to search and exploit new information sources

Specific competences

Disciplinary competences	Professional competences
Facilitate understanding of the determinants and consequences of international financial transactions.	Ability to understand the decisions taken by economic agents and their interaction in the markets.
Introduce basic financial concepts and analytical techniques and introduce their application to international transactions.	Ability to analyse economic and market indicators when taking decisions within the organisation.
	Assess and discuss the economic and financial position of an organisation
	Ability to express and understand spoken and written communication in English at an advanced level in the international business environment.

4. Contents

INTRODUCTION

1. Globalization and the Multinational Firm

PART I: Theories of international parity

2. Purchasing Power Parity
3. International arbitrage and interest rate parity
 - 3.1 Covered interest rate parity
 - 3.2 Uncovered interest rate parity

PART II: International Capital Flows

4. Balance of Payments
5. Impossible trinity

PART III: Foreign Exchange Market

6. Determinants of Exchange Rate
7. Foreign Exchange Intervention

PART IV: Exchange rate exposure

8. Measuring Exposure to Exchange Rate Fluctuations
9. Managing Transaction Exposure
10. Managing Economic and Translation Exposure

PART V: STRATEGIC DECISION-MAKING IN INTERNATIONAL FINANCE

11. Foreign Direct Investment
12. Financing in the Short-Term and in the Long-Term
13. Managing Net Working Capital
14. International Trade Finance

5. Assessment

The final grade will be determined by the weighted average of the following activities carried out throughout the semester:

Assessment elements	Time period	Type of assessment		Assessment agent			Type of activity	Grouping		Weight (%)
		Comp	Opt	Lecturer	Self-assess	Co-assess		Indiv	Group (#)	
In-class quizzes and assigned exercises	Throughout the semester	X		X			Conceptual and application	X		20%
Midterm exam	Week 4	X		X			Conceptual, application, and overall understanding	X		20%
Group project	Week 8	X				X	Application		X	20%
Final exam (a minimum grade of 4 is required to pass the course)	Exam Week	X		X			Conceptual, application, and overall understanding	X		50%

6. Bibliography and teaching resources

- Basic bibliography

Tran Ngoc Tho, Nguyen Ngoc Dinh, *International Finance*, UEH, 2010

- Supplementary bibliography

MADURA, *International Corporate Finance*, South Western College, 2011

- Teaching resources

- journal, magazine and newspaper articles on current events
- power point slides prepared by the authors of the textbooks and by the professor

7. Methodology

The teaching and learning processes will be based on lectures preceded and followed by independent study by students.

8. Scheduling activities

Week	Session	In class	Class preparation
Week 1	Lecture 1 Lecture 2	Globalization and the Multinational Firm Purchasing Power Parity	Chapter 1,2

Week 2	Lecture 3 Lecture 4	International arbitrage and interest rate parity Balance of Payments	Chapter 3,4
Week 3	Lecture 5 Lecture 6	Impossible trinity Determinants of Exchange Rate	Chapter 5,6

Week 4		MIDTERM EXAM	
Week 5	Lecture 7 Lecture 8	Foreign Exchange Intervention Measuring Exposure to Exchange Rate Fluctuations	Chapter 7,8
Week 6	Lecture 9 Lecture 10	Managing Transaction Exposure Managing Economic and Translation Exposure	Chapter 9,10
Week 7	Lecture 11 Lecture 12	Foreign Direct Investment Financing in the Short-Term and in the Long- Term	Chapter 11,12
Week 8	Lecture 13 Lecture 14	Managing Net Working Capital International Trade Finance	Chapter 13,14
Week 9		FINAL EXAM	

