



北京理工大学国际特色课程

Beijing Institute of Technology Global Courses

FIN9662 - ADVANCED INTERNATIONAL FINANCE

Syllabus

July. 1 - July. 19, 2024

Term Duration: July. 1 - July. 19, 2024

Credit Points: 4

Level: Postgraduate

Instructor Name: TBA

Home Institution: Beijing Institute of Technology

Lecture Hour: 9:00-12:00

Course Description

This course in International Finance provides students with a comprehensive understanding of the global financial environment in which multinational corporations operate. Covering a wide array of topics, from the basic mechanics of foreign exchange markets to the complexities of international portfolio investment, the course equips students with both theoretical knowledge and practical skills. Through an exploration of international monetary systems, exchange rate dynamics, and risk management strategies, students will learn to navigate the intricacies of international capital markets and the various instruments used in forex, including derivatives like futures, options, and swaps. This course also delves into the political and economic risks that impact international finance and the methods used to assess and mitigate them.

Course Aims:

Upon successful completion of this course, students should be able to:

1. Understand the impact of globalization on multinational corporations and the role of foreign exchange markets in international trade;
2. analyze the balance of payments to assess a country's economic transactions with the rest of the world and understand different exchange rate systems;
3. conduct Apply theories of interest rate parity, purchasing power parity, and real exchange rates to forecast future trends in the forex market;
4. evaluate the risks inherent in international financial management and develop strategies for managing real exchange risk;
5. demonstrate an understanding of international debt and equity financing and the implications for international capital budgeting decisions;
6. apply principles of risk management to foreign currency hedging decisions and assess the role of various derivative instruments;
7. gain insights into international portfolio investment strategies and the factors affecting the performance of international investments.

Language of Instruction

English

Required Textbook

International Financial Management, 2nd Edition

Author: Geert J. Bekaert, Robert J. Hodrick

Publisher: Pearson

ISBN: 9780132162760

International Financial Management, 9th Edition

Author: Cheol Eun, Bruce Resnick, Tuugi Chuluun

Publisher: McGraw Hill

ISBN: 9781260013870

Other materials provided by the course lecturer.

Course Hours

This course requires 48 hours of contact including 42 hours of lectures and one 6-hour field trip. Lectures are from Monday to Friday.

Prerequisite Course

Students are expected to have taken **Introduction to Finance** or to possess a thorough knowledge of the topics covered in the mentioned course.

Course Schedule

Week	Day	Lecture	Topic	Assignment/ Notes
Week 1	Day 1	Lecture 1	Globalization and the Multinational Corporation; The Foreign Exchange Market; Forward Markets and Transaction Exchange Risk	Geert J. Bekaert (Chap 1-3); Cheol Eun (Chap 3)
	Day 2	Lecture 2	The Balance of Payments; Exchange Rate Systems	Geert J. Bekaert (Chap 4-5)
	Day 3	Lecture 3	Interest Rate Parity; Speculation and Risk in the Foreign Exchange Market	Geert J. Bekaert (Chap 6-7)
	Day 4	Lecture 4	Purchasing Power Parity and Real Exchange Rates; Measuring and Managing Real Exchange Risk	Geert J. Bekaert (Chap 8-9)
	Day 5	Lecture 5	Exchange Rate Determination and Forecasting	Geert J. Bekaert (Chap 10)
Week 2	Day 6	Lecture 6	International Debt Financing; International Equity Financing	Geert J. Bekaert (Chap 11-12)
	Day 7	Lecture 7	International Capital Market Equilibrium; Country and Political Risk	Geert J. Bekaert (Chap 13-14)
	Day 8	Lecture 8	International Capital Budgeting; Risk Management and the Foreign Currency Hedging Decision	Geert J. Bekaert (Chap 15,17)
	Day 9	Lecture 9	Financing International Trade; Managing Net Working Capital	Geert J. Bekaert (Chap 18-19)
	Day 10	Industrial Visit		

Week 3	Day 11	Lecture 10	Foreign Currency Futures and Options	Geert J. Bekaert (Chap 20); Cheol Eun (Chap 7)
	Day 12	Lecture 11	Interest Rate and Foreign Currency Swaps	Geert J. Bekaert (Chap 21); Cheol Eun (Chap 14)
	Day 13	Lecture 12	International Portfolio Investment	Cheol Eun (Chap 15)
	Day 14	Guided Revision		
	Day 15	Final Exam		

Note: Students will be notified if the schedule of the field trip changes according to the situation.

Grading Policy

Method	Percentage
Participation	10%
Mid-Semester Test	20%
Assignment	30%
Final Exam	40%
Total	100%

Participation: Students are expected to attend all course sessions punctually. Absences will impact the attendance grade. We will have some case studies, quizzes and group discussion in class and the performance will be considered as partial attendance points or bonus.

Mid-Semester Test: The test will span a duration of 2 hours and will assess students on the material covered in the first half of the course. Students are expected to demonstrate their knowledge and analytical skills through this examination.

Assignment: Each student is required to individually complete a report. The report will encompass both theoretical questions and problem-solving exercises related to the topics covered in lectures.

Final Exam: The final exam will be a comprehensive assessment encompassing all course content. This exam will have a duration of 3 hours, and students will be evaluated on their understanding and application of the material covered throughout the course.

Academic Honesty

Academic honesty is not only a fundamental part of learning and teaching, but also a core value that this course embraces. Behaviors of academic dishonesty, as outlined hereinafter, are unacceptable and will be penalized:

- a) Plagiarism where students present work for assessment, publication or otherwise that is not their own, without appropriate attribution or reference to the original source. Plagiarism can include:
 - i) paraphrasing or copying published and unpublished work without a reference;
 - ii) adopting the ideas or concepts of others, including the structure of an existing analysis without due acknowledgement by way of reference to the original work or source.
- b) Collusion, where students present work as independent work when it has in fact been produced in whole or in part with others unless prior permission for joint or collaborative work has been given by the Course Coordinator. Collusion can include:
 - i) a student inappropriately assisting with or accepting assistance with the production of an assessment task;
 - ii) submitting work which is the same or substantially similar as another student's work for the same assessment task.
- c) Cheating, where a student acts in such a way as to seek to gain unfair advantage or assist another student to do so. Cheating can include:
 - i) submitting falsified, copied or improperly obtained data relating to results of practicum, field trips or other work as if they were genuine; submitting an assessment task with the intention of deceiving or misleading the instructor about the student's contribution to the work;
 - ii) submitting an assessment task written or answered for the student by another person or which the student has copied from another person;
 - iii) submitting the same or a substantially similar piece of work for assessment in two different courses (except in accordance with approved study and assessment schemes);
 - iv) a student falsely indicating that they have been present at an activity where attendance is required;
 - v) completing an assessment task outside the conditions specified for that task.
- d) Cheating in Examinations means engaging in dishonest practice or breaching the rules regarding examinations, which can include:
 - i) communicating in any way during an examination with any person who is not an examination supervisor inside or outside the examination venue;
 - ii) giving or accepting assistance from any person who is not an examination supervisor whilst in the examination venue;
 - iii) reading, copying from or otherwise using another student's work in an examination or knowingly allowing a student to do so;
 - iv) possessing, referring to or having access to any material or device containing information directly or indirectly related to the subject matter under examination, other than that explicitly approved by the Course Coordinator;
 - v) acquiring, or attempting to acquire, possess or distribute examination materials or information without approval;
 - vi) permitting another person to attend an examination on a student's behalf or attending an examination on behalf of another student;
- e) Other dishonest acts including but not limited to:

- i) altering or falsifying any document or record for the purposes of gaining academic advantage;
- ii) offering or giving money or any item or service to a University staff member or any other person to gain academic advantage for the student or another person;
- iii) inventing references.