

30642 - International Financial Management

Syllabus Information

Academic year: 2023/24

Subject: 30642 - International Financial Management

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 432 - Joint Law - Business Administration and Management Programme

ECTS: 6.0

Year: 5

Semester: Second semester

Subject type: Optional

Module:

1. General information

The main goal of this subject is that the student learns the necessary knowledge for international financial operations, both in terms of financial markets and corporate finance. For this purpose, it is necessary to know and understand the functioning, operations, participating agents and the most important products of the international financial markets, in order to be able to operate in them with ease, as well as the elements and concepts of international trade and the analysis of direct investments abroad.

Today, financial markets operate 24 hours a day and every day of the week on an international level. It is possible to carry out transactions on an almost continuous basis. Therefore, in order to improve the decision making process of financing and investment, it is necessary to understand the international financial environment and all the opportunities it offers.

These approaches and goals are aligned with the Sustainable Development Goals (SDGs) of the 2030 Agenda of the United Nations (<https://www.un.org/sustainabledevelopment/es/>), specifically, the activities planned in the subject will contribute to the achievement of goals 4 and 8.

2. Learning results

- Be fluent in the different exchange rates: to know and understand the spot and forward currency markets, their vocabulary, day-to-day operations, the mechanisms of exchange rate formation and the detection of exchange rate fluctuations and the detection of arbitrage opportunities.
- Know and understand the functioning of the international money market and of the international debt issuance markets, both short and long term, and in their aspects of public and private debt assets international debt issuance markets, both short and long term and in their public and private debt assets aspects
- Plan the financing strategy in international markets: to choose the appropriate instrument and its characteristics, as well as to assess its advantages and disadvantages.
- Know and understand the functioning of the most important international stock markets, as well as the fundamental elements of international portfolio management.
- Identify and define different types of international financial risks and their positions.
- Propose alternatives to manage the different international financial risks and quantify the results of the use of the different financial instruments, as well as to different financial instruments, as well as to expose their limitations.
- Know the most important derivative products in the international market, as well as their main characteristics, and to understand their operation and valuation.
- Value the most common risk hedging instruments in the international environment: futures, options and swaps.
- Know the operation of foreign trade operations.
- Know and understand the differences between the analysis of local or domestic investments and direct investments abroad. Apply the appropriate methodologies for the analysis and valuation of these operations.

3. Syllabus

UNIT 1 Introduction: International economic transactions.

UNIT 2 Foreign exchange market and exchange rate determination.

UNIT 3 The international credit market.

UNIT 4 The international bond market

UNIT 5 The international equity market: anticipation and/or diversification strategies

UNIT 6 Foreign exchange and interest rate risk management: types of exposure, choice of strategies and control.

UNIT 7 Options and financial futures for exchange rate risk and interest rate risk

UNIT 8 Interest Rate Swaps: Mechanisms, Strategies and Valuation

UNIT 9 Currency Swaps: Mechanisms, Strategies and Valuation

UNIT 10 Financial engineering applied to the hedging of interest and exchange rate risk

UNIT 11 International Investment Appraisal

UNIT 12 Foreign trade techniques

4. Academic activities

- Theoretical lectures (30 hours), including presentations on current units and cases related to the subject related to the subject.
- Practical classes (30 hours) in which cases proposed by the teacher will be solved. Some of the classes are held in computer classrooms.
- Students will have individualized tutoring and consultation hours.
- The Moodle application will be used to provide students with the fundamental information and contents of the subject.
- Estimated Personal Study: 88.5 hours
- Tests Assessment: 2 continuous assessment tests during class time, and the global tests in case are needed (90 minutes each test).

6 ECTS = 150 hours

In principle, the teaching methodology and its assessment is planned to be based on face-to-face classes . However, if circumstances so require, this can be modified to an online version. In principle, the methodology of teaching and its assessment is planned to be based on face-to-face classes. However, if the circumstances require it, it may be done online.

5. Assessment system

The course will be assessed by continuous assessment in the first call, with the possibility of a global assessment in both the first and second call.

Continuous assessment

Consisting of two eliminatory theoretical-practical tests to be held in April and May, respectively.

The tests will be written and will consist of theoretical and practical questions. Theoretical questions can be open-ended (short answer) or multiple-choice questions. The practical questions will be in line with the practical cases proposed in class at throughout the subject.

The subject matter that will constitute each of these exams will be announced in class and/or on the teaching platforms used by the faculty. No accumulation of content.

The weight distribution of the different tests is as follows:

- First written test: 50%
- Second written test: 50%

In order to pass the course by this method, the result of the previous weighting must be equal to or higher than 5 points out of 10. No minimum grade is required in each of the tests.

Global Assessment:

Students who do not opt for continuous assessment, who do not pass the course through continuous assessment or who wish to improve their grade, will have the right to take the overall test, prevailing, in any case, the best of the grades obtained.

The global test consists of a theoretical-practical test, which will be held on the date and time established in the official call at . The theoretical questions can be open-ended (short answer) or multiple choice. The practical questions will be in line with the practical cases proposed in class throughout the subject. To pass the subject the student must obtain in the test a score equal to or higher than 5 out of 10 points.

In the second call, the assessment will be carried out only by means of a global test with the same characteristics as mentioned above .

The grade of the first call will be the maximum obtained considering the continuous assessment system and the global test.

The grade for the second call will be the grade obtained in the overall test.

Assessment Criteria:

For all the tests, the total score for the theoretical content questions will be a maximum of 4 points out of 10. The remaining of the score will be distributed among different practical exercises.

The total number of questions and exercises posed in each of the written tests or tests will be at least 6 and the time for completion is set at 90 minutes.

The student must demonstrate an appropriate application of the theoretical and practical knowledge acquired in the subject, as well as an appropriate defense and presentation of the results.