

**COURSE OUTLINE: BF2207 INTERNATIONAL FINANCE**

<b>Academic Year</b>	AY2022/23	<b>Semester</b>	1
<b>Course Coordinator</b>	Edmund Choong		
<b>Course Code</b>	BF2224		
<b>Course Title</b>	International Finance		
<b>Pre-requisites</b>	AB1201 Financial Management or BU8201 (B+) or BU5201 (B+) or RE8005 Financial Management*		
<b>No of AUs</b>	3		
<b>Contact Hours</b>	3hr x 13 weeks = 39		
<b>Proposal Date</b>	21 June 2022		

**A) Course Aims**

This course is an introduction to international finance. The course serves to equip students with the ability to analyse and make managerial decisions in the context of a multinational firm.

**B) Intended Learning Outcomes (ILO)/Objectives**

By the end of this course, students will be able to:

1. Describe the international financial environment in the context of international fund flows, international financial markets, and international financial agencies, and how they affect multinational corporations.
2. Discuss the relationships among inflation, interest rates, and exchange rates using the interest rate parity, the purchasing power parity and the international Fisher effect theories.
3. Explain exchange rate determination, and how firms can manage their exchange rate risk and capitalize on anticipated exchange rate movements.
4. Analyse multinational capital budgeting to enable firms to make informed investment decisions.
5. Analyse and propose managerial responses to a financial crisis or contemporary global financial issue.

**C) Course Content**

*Part I: THE INTERNATIONAL FINANCIAL ENVIRONMENT.*

*Chapter 1. Multinational Financial Management: An Overview.*

*Chapter 2. International Flow of Funds.*

*Chapter 3. International Financial Markets.*

*Chapter 4. Exchange Rate Determination.*

*Chapter 5. Currency Derivatives#.*

*Part II: EXCHANGE RATE BEHAVIOUR.*

*Chapter 7. International Arbitrage and Interest Rate Parity.*

*Chapter 8. Relationships among Inflation, Interest Rates, and Exchange Rates.*

*Part III: EXCHANGE RATE RISK MANAGEMENT.*

*Chapter 10. Measuring Exposure to Exchange Rate Fluctuations.*

*Chapter 11. Managing Transaction Exposure.*

*Chapter 12. Managing Economic Exposure and Translation Exposure.*

*Part IV: LONG-TERM ASSET AND LIABILITY MANAGEMENT.*

*Chapter 14. Multinational Capital Budgeting.*

**D) Assessment (includes both continuous and summative assessment)**

Component	ILO Tested	NBS Learning Goal (Refer to Annex E for list)	Weighting	Team/Individual	Assessment Rubrics
C1. Assignments	ILO1 -4	Quantitative Literacy Skills	10%	Individual	Assignment Rubric
C2. Classroom Participations & Presentation	ILO1 -4	Oral Communication Teamwork and Interpersonal Skills	10%	Individual / Group	Class Participation Peer Evaluation
C3. Project Presentation	ILO5	Oral Communication	10%	Individual	Project Presentation Rubric
C4. TEL Activities	ILO1 -4	Acquisition of Knowledge	10%	Individual	N.A
C5. Quiz	LO1 -4	Acquisition of Knowledge	15%	Individual	N.A
C6. Final Examination	LO1 -4	Acquisition of Knowledge	45%	Individual	N.A
Total			100%		

**Important Notes:**

C1: The marks are allocated to the assignments as specified in the proposed weekly schedule.

Assignment submissions will be collected in class after the relevant material are discussed.

Please do not email your assignment to the instructor.

The assignment submissions must be typed-written or legibly hand-written, and they must be submitted to the instructor in class on the due dates (as set by the instructor).

There is no required minimum length for answers to questions in the assignments.

However, you should communicate clearly in writing up your submissions for the assignments.

Your answers must display your understanding well and be written in a logical, complete, coherent, and well-organized fashion.

Copying solutions for the assignments from unauthorized sources (including from peers and seniors) are serious violations of the university honour codes. If caught, the student will be reported to the undergraduate office and be given an "F" grade for the course.

C2: Absence from class will affect your classroom participation and presentation marks.

This course requires you to be in class to participate in activities, discussions and presentations. There will be no make-up opportunities for in-class activities. If you will be absent from a seminar session, you must inform your instructor via email prior to the start of the class. If you are unable to attend class because of illness, you should submit a medical certificate to the Undergraduate Programme Office as soon as possible.

If you are unable to attend your registered seminar session in a particular week, you may request from instructor to attend his/her other sessions.

C3: Please refer to Annex B for the detailed project requirements and assessment criteria.

C4: Approximately equal marks are allocated to the series of online technology-enabled learning (TEL) activities specified in the proposed weekly schedule.

The online TEL activities are accessible on NTULearn (<https://ntulearn.ntu.edu.sg/>) under the main BF2207 course website. If you complete the TEL activities and answer the self-test multiple-choice questions correctly, you will attain full mark for this component.

Please contact the Service Desk ([servicedesk@ntu.edu.sg](mailto:servicedesk@ntu.edu.sg)) if you have any problem or encounter any issue accessing the course website on NTULearn. When you contact the Service Desk, please include a brief description of the issue and relevant screenshots.

C5: The quizzes are closed-book exams that consist only multiple-choice questions. The intent of the quizzes is to examine how well you understand the topics covered in the course.

If you have medical conditions that require special arrangements for the quiz, you must inform your instructor latest by week 5. Please provide medical proof to substantiate your condition.

Students who fail to take the quiz will have a zero score unless they have a valid reason.

Valid reasons are:

- on medical leave (a medical certificate must be submitted);
- representing the school or the university in competition (official letter must be produced);
- bereavement (immediate family members only);
- job interview (allowed only for students in their final year).

The following reasons are invalid:

- hall competition;
- part-time job;
- overslept;
- interpersonal relationship issues;
- traffic jam or train service disruption;
- job interview (applies to students not in their final year);
- any other reasons deemed unacceptable by the instructor.

One of the following will apply for students who missed any of the quizzes for valid reasons:

Instructor will rescale the total coursework marks (based on the weightage of the coursework components) of students who have missed a quiz for valid reasons.

Instructor will set a makeup quiz for students who missed a quiz for valid reasons. The makeup quiz remains a closed-book exam and it will be held the week following the scheduled quiz (details will be announced later). However, since a majority of students would have taken the earlier scheduled quiz, for equity reasons, the level of difficulty of the makeup quiz shall be higher and the format of the makeup quiz is not restricted to multiple-choice questions, i.e., the makeup quiz may consist entirely of structured questions. There will be no further makeup for the makeup quiz. Students who fail to take the makeup quiz, regardless of reasons, will have a zero score.

The intent of the final examination is to determine how well you understand the basic principles and tools of International Finance, and if you are able to apply them to novel as well as routine situations

The final examination consists of only structured questions, i.e., there is no multiple-choice question.

The final examination is a restricted-open-book exam where students may bring into the exam hall one A4-sized cheat sheet. You may use both sides of the A4-paper to include any information you want.

There is no restriction on the types and formats of information on the cheat sheet, i.e., you may include whatever mathematical formulas and computation steps, you may write on the cheat sheet, you may print using the smallest font size to maximize the content, etc.

The cheat sheet is restricted by its surface area. Thus, it is an offence to increase the writable/printable area of the A4-sized cheat sheet, e.g., you may not fold an A3-paper into two and present it as an A4-sized sheet, you may not use sticky notes on the cheat sheet, etc.

#### **E) Formative feedback**

Instructor will provide students feedback throughout the course: Foremost, students will receive verbal feedback on their performances during in-class discussions and presentations. Students will also receive their graded assignment and quiz answer scripts. Students are encouraged to keep track of their performances and to take measures to improve themselves, such as by clarifying their doubts. Moreover, students will receive feedback on their teamwork skills via compulsory peer evaluation.

#### **F) Learning and Teaching approach**

We conduct this course through weekly seminars and online technology-enabled learning (TEL) activities, commencing in Week 1 and ending in Week 13. For each week, students will complete about 1½ hour of e-lecture before the physical seminar. They will also prepare answers to questions in the problems sets and Blades cases.

<b>Approach</b>	<b>How this approach support students to achieve the learning outcomes</b>
Seminar	Interactive seminar sessions provide opportunities for open discussion. Questions raised during seminars allow students to think critically, and share their ideas and perspective with their peers. This also allows us to get the concepts clearly through the entire class, by involving each student present, and ensure that the targeted learning outcomes are being achieved. During in-class discussions, students will also receive immediate verbal feedback about the level of proficiency of their responses.
TEL	Online learning allows students to fit their learning schedule around their existing responsibilities and commitments. Students can engage with learning materials at whatever time that is most convenient to them, they don't have to travel anywhere to study, they can learn online from the comfort and safety of their own home.

Assignments & Quizzes	Students will receive feedbacks about their assignments and quizzes, and how they might go about improving their understanding.
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This blended approach with a combination of physical seminars and online activities can be converted to fully online learning at any time if required by official safe management measures.

### G) Reading and References

B Adrian Buckley  
Financial Crisis: Causes, Context and Consequences  
Pearson Prentice Hall, 2011  
(ISBN: 027373511X / Call No.: XX(1107178.1) e-book)

<http://catalogue.pearsoned.co.uk/educator/product/Financial-Crisis-Causes-Context-and-Consequences/9780273735113.page>

D Mihir A. Desai  
International Finance: A Casebook  
Wiley, 2007  
(ISBN: 0471737682 / Call No.: HG3881.D441)

<http://as.wiley.com/WileyCDA/WileyTitle/productCd-EHEP000672.html>

M\* Jeff Madura  
International Financial Management, 14th Edition  
Cengage Learning, 2020  
(ISBN: 9789814915007 / Call No.: HG3881.M183 & XX1752802.1)

<https://www.cengageasia.com/TitleDetails/isbn/9789814915007>

\* The primary textbook used for this course.

### H) Course Policies and Student Responsibilities

I expect you to come prepared for class as detailed in the proposed weekly schedule. As seminar time is precious, it must be used efficiently. You cannot be taught everything during the seminars. Much of your learning must occur outside the seminar room. At least you should plan to study two or more hours on your own for each hour of seminar.

You are expected to complete the online TEL activities and read the textbook for comprehension before the material is discussed in the seminar. When you are prepared, the faster-paced seminar discussion will make more sense. After the seminar, carefully reread the textbook along with your notes to reinforce your understanding of the material.

The textbook not only gives a detailed account of the material covered in the course, but it also contains problems to test your understanding. These problems should supplement those you see in the seminar. Try to work through the material and to fill in any omitted steps.

You should attempt all the assignments on your own and try additional problems in areas where you feel you are weak in. It is your responsibility to communicate clearly in writing up your submissions for the assignments. Your answers must display your understanding well and be written in a logical, complete, coherent, and well-organized fashion.

I stand ready to help you learn, but the responsibility is yours. If you are experiencing difficulty, make an appointment to see me during my office hours for extra help. If you do not do your part, then there is very little I can do to make up for it. (2) Absenteeism

Absence from class without a valid reason will affect your overall course grade. Valid reasons include falling sick supported by a medical certificate and participation in NTU's approved activities supported by an excuse letter from the relevant bodies.

If you miss a lecture, you must inform the course instructor via email prior to the start of the class.

### I) Academic Integrity

NTU's Student Academic Integrity Policy requires all members of the NTU community to uphold the values of academic integrity in all academic undertakings. The policy defines the following acts as academic dishonesty:

- plagiarism,
- academic fraud and
- facilitating academic dishonesty.

All students are expected to read and observe the policy guidelines detailed at this website: <http://academicintegrity.ntu.edu.sg/for-everyone/policy/>. The academic integrity website also highlights the penalties that will be imposed on students who are found to have violated the policy, and the processes that will be followed when we deal with cases of academic dishonesty.

### J) Course Instructors

Instructor	Office Location	Phone	Email	Consultation Hours
Edmund Choong			edmundchoong@ntu.edu.sg	By prior appointment via email

## K) Planned Weekly Schedule

Week (Week beginning)	Topics	Learning Outcomes	TEL Activities (10%)	Readings* & Discussion (10%)	Assignments (10%)
1.	Introduction to International Finance	<ol style="list-style-type: none"> <li>To identify management goal and organizational structure of a Multinational Corporation (MNC).</li> <li>To describe the key theories that justifies international business.</li> <li>To explain the common methods used to conduct international business.</li> <li>To describe a model for valuing a MNC.</li> </ol>	<p>Watch e-Lecture Series 1</p> <p>Complete Review MCQ</p>	<b>M</b> Chapter 1	
2.	International Flow of Funds	<ol style="list-style-type: none"> <li>To explain the key components of the balance of payments.</li> <li>To explain the growth in international trade activity over time.</li> <li>To explain how international trade flows are influenced by economic factors and other factors.</li> <li>To explain how international capital flows are influenced by country characteristics.</li> <li>To describe the agencies that facilitates the international flow of funds.</li> </ol>	<p>Watch e-Lecture Series 2</p> <p>Complete Review MCQ</p>	<b>M</b> Chapter 2 <i>Blades Case – Exposure to International Flow of Funds</i>	
3.	International Financial Markets	<ol style="list-style-type: none"> <li>To describe the background and corporate use of the foreign exchange market, international money market, international credit market, international bond market and international stock markets.</li> </ol>	<p>Watch e-Lecture Series 3</p> <p>Complete Review MCQ</p>	<b>M</b> Chapter 3 <i>Blades Case – Decisions to Use International Financial Markets</i> Problem Set 1	

4. CNY	Exchange Rate Determination	<ol style="list-style-type: none"> <li>To explain how exchange rate movements are measured.</li> <li>To explain how the equilibrium exchange rate is determined.</li> <li>To explain factors that determines the equilibrium exchange rate.</li> <li>To explain the movement in cross exchange rates.</li> <li>To explain how financial institution attempt to capitalize on anticipated exchange rate movements.</li> </ol>	<p>Watch e-Lecture Series 4</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 4</p> <p><i>Blades Case – Assessment of Future Exchange Rate Movements</i></p> <p>Problem Set 2</p>	
5.	Currency Derivatives <sup>#</sup>	<ol style="list-style-type: none"> <li>To explain how forward contracts are used to hedge based on anticipated exchange rate movements.</li> <li>To describe how currency futures contracts are used to speculate or hedge based on anticipated exchange rate movements.</li> <li>To explain how currency option contracts are used to speculate or hedge based on anticipated exchange rate movements.</li> </ol>	<p>Watch e-Lecture Series 5</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 5</p> <p><i>Blades Case – Use of Currency Derivative Instruments</i></p> <p>Problem Set 3</p>	<p>Assignment 1 (<a href="#">5%</a>)</p> <p><i>FX Markets &amp; Transaction</i> (<b>D</b> page 6–32, Question 1 to 9)</p>
6.	Exchange Rate Behaviour	<ol style="list-style-type: none"> <li>To explain the conditions that will result in various forms of international arbitrage and the realignments that will occur in response.</li> <li>To explain the concept of interest rate parity (IRP).</li> <li>To explain the variation in forward rate premiums across maturities and over time.</li> </ol>	<p>Watch e-Lecture Series 6</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 7</p> <p><i>Blades Case – Assessment of Potential Arbitrage Opportunities</i></p> <p>Problem Set 4</p>	
7.	Exchange Rate Behaviour (Continue)	<ol style="list-style-type: none"> <li>To explain the purchasing power parity (PPP) theory and its implications for exchange rate changes.</li> <li>To explain the International Fisher effect (IFE) theory and its implications for exchange rate changes.</li> </ol>	<p>Watch e-Lecture Series 7</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 8</p> <p><i>Blades Case – Assessment of Purchasing Power Parity</i></p> <p>Problem Set 5</p>	
ζ.	<b>Recess</b>				



8.	Exposure Management	<ol style="list-style-type: none"> <li>1. To explain the relevance of an MNC's exposure to exchange rate risk.</li> <li>2. To explain how transaction exposure, economic exposure and translation exposure can be measured.</li> <li>3. To explain the techniques commonly used to hedge payables and receivables.</li> <li>4. To explain limitations of hedging.</li> </ol>	<p>Watch e-Lecture Series 8</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 10</p> <p><i>Blades Case</i> – Assessment of Exchange Rate Exposure</p> <p>Problem Set 6</p>	
9.	<p><b>E-Leaning Week</b></p> <p><b>Quiz (15%)</b></p>	<ol style="list-style-type: none"> <li>1. To explain how an MNC hedges its transaction exposure.</li> </ol>	<p>Watch e-Lecture Series 9</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 11</p>	
10.	Exposure Management (Continue)	<ol style="list-style-type: none"> <li>1. To explain how an MNC hedges its economic and translation exposure.</li> </ol>	<p>Watch e-Lecture Series 10</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 12</p> <p><i>Blades Case</i> – Management of Transaction Exposure</p> <p>Problem Set 7</p>	
11.	International Capital Budgeting	<ol style="list-style-type: none"> <li>1. To explain the capital budgeting analysis of an MNC's subsidiary versus its parent.</li> <li>2. To describe how multinational capital budgeting can be applied to determine whether an international project should be implemented.</li> <li>3. To explain how multinational capital budgeting can be adapted to account for special situations such as alternative exchange rate scenarios or when subsidiary financing is considered.</li> <li>4. To explain how the risk of international projects can be assessed.</li> </ol>	<p>Watch e-Lecture Series 11</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 14</p> <p><i>Blades Case</i> – Decision to Invest in Thailand</p> <p>Problem Set 8</p>	<p>Assignment 2 (5%)</p>

12.	Project Presentation <a href="#">(10%)</a>	1. To describe lessons learnt from historical economic and financial crises. 2. To recommend proactive and reactive measures for crises.		B Chapter 1	
13.		3. To prepare for the final exam.		Sample Exam Papers	

\* Material covered in the appendices at the end of chapters is excluded from the course.

Material on derivative pricing are excluded (detailed derivative pricing is covered in the BF2209 Derivative Securities course).

**ANNEX A: ASSESSMENT RUBRIC****Qualitative Literacy Rubric – for assignment**

**Learning Objective:** Quantitative Literacy (QL) – also known as Numeracy or Quantitative Reasoning (QR) – is a "habit of mind," competency, and comfort in working with numerical data. Individuals with strong QL skills possess the ability to reason and solve quantitative problems from a wide array of authentic contexts and everyday life situations. They understand and can create sophisticated arguments supported by quantitative evidence and they can clearly communicate those arguments in a variety of formats (using words, tables, graphs, mathematical equations, etc., as appropriate).

Traits		Performance	
<b><u>Application/ Analysis</u></b>	Ability to make judgments and draw appropriate conclusions based on the analysis of data or information, while recognizing the limits of this analysis.	<b>Scant</b> Uses the analysis of data or information as the basis for tentative, basic judgments, although is uncertain about drawing conclusions from this work.	<b>Substantially Developed</b> Uses the analysis of data or information as the basis for deep and thoughtful judgments, drawing insightful, carefully qualified conclusions from this work.
		Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed	
<b><u>Calculation</u></b> (where applicable)	Ability to perform calculations.	<b>Scant</b> Calculations are attempted but are both unsuccessful and are not comprehensive.	<b>Substantially Developed</b> Calculations attempted are essentially all successful and sufficiently comprehensive to solve the problem. Calculations are also presented elegantly (clearly, concisely, etc.).
		Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed	
<b><u>Presentation</u></b>	Expressing evidence in support of the argument or purpose of the work (in terms of what evidence is used and how it is formatted, presented, and contextualized).	<b>Scant</b> Presents an argument for which evidence is pertinent, but does not provide adequate explicit support.	<b>Substantially Developed</b> Uses information in connection with the argument or purpose of the work, presents it in an effective format, and explicates it with consistently high quality.
		Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed	
<b><u>Representation</u></b>	Ability to convert relevant data or information into layman friendly forms (e.g., graphs, diagrams, tables, words).	<b>Scant</b> Completes conversion of data or information but resulting portrayal is inappropriate or inaccurate.	<b>Substantially Developed</b> Skilfully converts relevant data or information into an insightful portrayal in a way that contributes to a further or deeper understanding.
		Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed	

**Class Participation Rubric – for participation**

**Learning Objective:** The ability to engage in open-ended and collaborative exchange of ideas among instructor and students for the purpose of furthering students thinking, learning, problem solving and understanding.

Traits	Performance		
	1	2	3
<b><u>Engagement</u></b>	Hardly focuses in class (e.g. using mobile phone, unnecessary chatting)	Occasionally engages in distracting activities (e.g. using mobile phone, unnecessary chatting) in class	Engages fully in class
<b><u>Contribution Frequency</u></b>	Does not speak up or contribute in class	Occasionally speaks up or contributes in class	Speaks up or contributes in all classes
<b><u>Contribution Quality</u></b>	No contributions or contributions lack substance	Contributions demonstrate knowledge of subject matter	Contributions are constructive and insightful

**Project Presentation Rubric (Oral)- for Presentation**

**Learning Objective:** The ability to communicate well with others verbally so that it clearly expresses the intended message and is understandable and useful to the receiving party.

Traits		Performance		
<b>Communication Outcome</b>	<ul style="list-style-type: none"> <li>Has a clear message for audience</li> <li>Maximizes likelihood of audience accepting the message</li> </ul>	<b>Scant</b> Central message is not explicitly stated in the presentation. Main points are not clearly identified, audience unsure of the direction of the message.	<b>Substantially Developed</b> Central message is precisely stated; main points are clearly identified.	
		Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed		
<b>Situational Factors</b>	<ul style="list-style-type: none"> <li>Addresses audience needs</li> <li>Builds rapport with audience</li> </ul>	<b>Scant</b> Topic is irrelevant to audience needs and interest. No attempt made to connect topic to audience.	<b>Substantially Developed</b> Connection of topic to audience needs and interest is stated with sophistication. Identifies and expresses a deep understanding of the target audience.	
		Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed		
<b>Design Factors</b>	<b>Content</b>	<ul style="list-style-type: none"> <li>Presents relevant information</li> <li>Supports main points with strong evidence</li> </ul>	<b>Scant</b> Content is erroneous or irrelevant; references and supporting materials are absent. Lacks of depth in content and little insights are exhibited. Presentation falls outside set time parameters.	<b>Substantially Developed</b> Content is accurate, thorough, and directly on point; strong support and references are provided. Exhibits depth and insight in content. Effective use of time and stays within time parameters.
			Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed	
	<b>Structure</b>	<ul style="list-style-type: none"> <li>Organises content coherently</li> <li>Signals transitions between points</li> </ul>	<b>Scant</b> Organizational pattern (specific introduction and conclusion, sequenced materials within the body, and transitions) is not observable.	<b>Substantially Developed</b> Organizational pattern is clearly and consistently observable and makes the content of the presentation cohesive.
			Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed	
	<b>Verbal</b>	<ul style="list-style-type: none"> <li>Speaks at appropriate speed and volume</li> <li>Uses correct grammar and pronunciation</li> </ul>	<b>Scant</b> Grammar, pronunciation and word choice are deficient. Vocal delivery is too soft or too fast to understand; gap-fillers interfere with expression.	<b>Substantially Developed</b> Free of errors in grammar and pronunciation; good choices of word enhance clarity of expression. Vocal delivery is varied and dynamic. Speech rate, volume, and tone facilitate audience comprehension. Minimal gap fillers.
			Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed	

	<p><b><u>Non-Verbal</u></b></p> <ul style="list-style-type: none"> <li>• Establishes eye contact</li> <li>• Uses gestures and movement to convey energy and confidence</li> </ul>	<p><b>Scant</b></p> <p>Eye contact, posture, gestures, movement and facial expressions are inappropriate and significantly distracting.</p>	<p><b>Substantially Developed</b></p> <p>Eye contact, posture, gestures, movement and facial expressions make the presentation compelling, and speaker appears polished and confident.</p>
		<p>Evaluation: Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed</p>	

**Teamwork & Interpersonal Skills Rubric (For Peer Evaluation)**

Learning Objective: The ability to work effectively with others in a group setting. Your ratings will not be revealed to the other members.

Table No: \_\_\_\_\_

Name of Rater: \_\_\_\_\_

Traits		Performance		Fill in your members' names below and Rate on a scale of "1" to "6" for each trait					
<b><u>Roles and Responsibility</u></b> Behaves professionally by upholding responsibility and assuming accountability for self and others in progressing towards the team's goal.	<b>Scant</b> Unclear about his/her own role; refuses to take a role in the group; insists to work individually and has limited coordination or communication with others.	<b>Substantially Developed</b> Always fulfils responsibilities; performs his/her role within the group with enthusiasm and demonstrates willingness to work collaboratively.							
	<b>Evaluation:</b> Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed								
<b><u>Communication</u></b> Identifies appropriate mechanisms to coordinate and correspond with team members.	<b>Scant</b> Modes of communication are not appropriate, causing confusion and miscommunication among team members.	<b>Substantially Developed</b> Modes of communication are appropriate, and maintains timely communication and correspondence with team members.							
	<b>Evaluation:</b> Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed								
<b><u>Conflict Resolution</u></b> Resolves conflicts using a variety of approaches.	<b>Scant</b> Does not recognize conflicts or is unwilling to resolve conflicts.	<b>Substantially Developed</b> Consistently resolves conflicts through facilitating open discussion and compromise.							
	<b>Evaluation:</b>								

	Scant	1	2	3	4	5	6	Substantially Developed						
<p><b><u>Contributions</u></b> Contributes positive input for the team; effectively utilizes one’s knowledge and expertise.</p>	<p><b>Scant</b> Largely disinterested in working in a group and refuses to participate; observes passively or is unwilling to share information with other team members.</p>							<p><b>Substantially Developed</b> Actively attends and participates in all activities and provides meaningful contribution in articulating ideas and opinions.</p>						
	<p><b>Evaluation:</b> Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed</p>													
<p><b><u>Relationship</u></b> Maintains cooperative interaction with other team members regardless of individual /cultural differences and respects diverse perspectives.</p>	<p><b>Scant</b> Rarely listens to others and does not acknowledge the opinions that differ from his/her own.</p>							<p><b>Substantially Developed</b> Engages in respectful relationships with all other members in the team. Embraces and accepts diverse points of view without prejudice.</p>						
	<p><b>Evaluation:</b> Scant <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> Substantially Developed</p>													



**ANNEX B**

**BF2207 INTERNATIONAL FINANCE  
PROJECT ON ECONOMIC & FINANCIAL CRISES**

**Motivation**

*By Kevin Hjortshøj O'Rourke*

***Why economics needs economic history?***

The current economic and financial crisis has given rise to a vigorous debate about the state of economics and the training that economics students are receiving. Importantly, among those arguing most strongly for a change in the way that young economists are trained are the ultimate employers of these students, in both the private and the public sector. Employers are increasingly complaining that young economists do not understand how the financial system actually works, and are ill-prepared to think about appropriate policies at a time of crisis.

Strikingly, many employers and policymakers are also arguing that knowledge of economic history might be particularly useful.

Stephen King, Group Chief Economist at HSBC, argues that: “Too few economists newly arriving in the financial world have any real knowledge of events that, while sometimes in the distant past, may have tremendous relevance for current affairs...The global financial crisis can be more easily interpreted and understood by someone who has prior knowledge about the 1929 crash, the Great Depression and, for that matter, the 1907 crash”.

Andrew Haldane, Executive Director for Financial Stability at the Bank of England, has written that “financial history should have caused us to take credit cycles seriously,” and that the disappearance of subfields such as economic and financial history, as well as money, banking and finance, from the core curriculum contributed to the neglect of such factors among policymakers, a mistake that “now needs to be corrected”.

In a recent Humanitas Lecture in Oxford, Stan Fischer said that “I think I’ve learned as much from studying the history of central banking as I have from knowing the theory of central banking and I advise all of you who want to be central bankers to read the history books”.

***The benefits of trying to understand economic history***

Knowledge of economic and financial history is crucial in thinking about the economy in several ways. Most obviously, it forces students to recognise that major discontinuities in economic performance and economic policy regimes have occurred many times in the past, and may therefore occur again in the future. These discontinuities have often coincided with economic and financial crises, which therefore cannot be assumed away as theoretically impossible. A historical training would immunise students from the complacency that characterised the “Great Moderation”. Zoom out, and that swan may not seem so black after all.

A second, related point is that economic history teaches students the importance of context. As Robert Solow points out, “the proper choice of a model depends on the institutional context”, and this is also

true of the proper choice of policies. Furthermore, the 'right' institution may itself depend on context. History is replete with examples of institutions which developed to solve the problems of one era, but which later became problems in their own right.

Third, economic history is an unapologetically empirical field, exclusively dedicated to understanding the real world. Doing economic history forces students to add to the technical rigor of their programs an extra dimension of rigor: asking whether their explanations for historical events actually fit the facts or not. Which emphatically does not mean cherry-picking selected facts that fit your thesis and ignoring all the ones that don't: the world is a complicated place, and economists should be trained to recognise this. An exposure to economic history leads to an empirical frame of mind, and a willingness to admit that one's particular theoretical framework may not always work in explaining the real world. These are essential mental habits for young economists wishing to apply their skills in the work environment, and, one hopes, in academia as well.

Fourth, economic history is a rich source of informal theorising about the real world, which can help motivate more formal theoretical work later on. Habakkuk (1962) and Abramowitz (1986) are two examples that immediately spring to mind, but there are many others.

Fifth, even once the current economic and financial crisis has passed, the major long run challenges facing the world will still remain. Among these is the question of how to rescue billions of our fellow human beings from poverty that would seem intolerable to those of us living in the OECD. And yet such poverty has been the lot of the vast majority of mankind over the vast majority of history: what is surprising is not the fact that 'they are so poor', but the fact that 'we are so rich'. In order to understand the latter puzzle, we have to turn to the historical record. What gave rise to modern economic growth is the question that prompted the birth of economic history in the first place, and it remains as relevant today as it was in the late nineteenth century. Apart from issues such as the rise of Asia and the relative decline of the West, other long run issues that would benefit from being framed in a long-term perspective include global warming, the future of globalisation, and the question of how rapidly we can expect the technological frontier to advance in the decades ahead.

Sixth, economic theory itself has been emphasising – for well over 20 years now – that path dependence is ubiquitous (David 1985).

Finally, and perhaps most importantly from the perspective of an undergraduate economics instructor, economic history is a great way of convincing undergraduates that the theory they are learning in their micro and macro classes is useful in helping them make sense of the real world.

Far from being seen as a 'soft' alternative to theory, economic history should be seen as an essential pedagogical complement. There is nothing as satisfying as seeing undergraduates realise that a little bit of simple theory can help them understand complicated real world phenomena. Think of Obstfeld and Taylor's use of the Mundell-Fleming trilemma to frame students' understanding of the history of international capital market integration over the last 150 years; or Ronald Rogowski's use of Heckscher-Ohlin theory to discuss political cleavages the world around in the late nineteenth century; or the Domar thesis, referred to in Temin (2013), which is a great way to talk to students about what drives diminishing returns to labour. Economic history is replete with such opportunities for instructors trying to motivate their students.

**Overview**

The theme of the project is on economics and financial crises.

Students in each seminar class may form their own project groups. After project groups are formed, the students will discuss and select one of the following crises, or they may propose alternative contemporary issues, to work on:

- 1929–1941 The Great Depression, preceded by 1929 Wall Street Crash.
- 1973–1974 Oil Crisis, followed by the 1973–1974 stock market crash.
- 1982–1985 Latin American Debt Crisis.
- 1987 Black Monday (the largest one-day percentage decline in stock market history).
- 1989–1991 United States Savings & Loan Crisis.
- 1990– Japanese Asset Price Bubble Collapsed.
- 1991–1992 Nordic Banking Crisis.
- 1992–1993 Black Wednesday (speculative attacks on currencies in the EERM).
- 1994–1995 Mexican Peso / Tequila Crisis.
- 1997–1998 Asian Financial Crisis, devaluations and banking crises across Asia.
- 1998 Russian Financial / Ruble Crisis.
- 1999–2002 Argentine Peso Crisis.
- 2007–2008 Global Financial Crisis.
- 2010 European Sovereign Debt Crisis.
- 2013 Hyperinflation in Venezuela

**Deliverable**

The deliverable for the project consist of a group presentation in class as well as all presentation material.

For the group presentation, every member is required to present. It is effectively a series of individual presentation on a common topic.

The presentation material includes presentation slides, video clips and all relevant research material. Only soft copies of the presentation material need to be submitted.

**Assessment**

The project is worth 10% of your overall grade: Your project is graded on the content, presentation, and show of effort to make the material interesting and informative for financial managers or policy makers. For the detailed assessment criteria, please refer to the “Project Presentation Rubric” in Annex A.

The suggested coverage of your project includes (1) describing what happen, (2) explaining the causes of the crisis, (3) highlighting any lessons learned for financial managers and/or policy makers, and (4) proposing how financial managers and/or policy makers should response to such crisis.

Your presentation must be succinct and yet as comprehensive as possible. You have 20 minutes to make your presentation and another 3 minutes for Q&A.

A common score based on the “Project Presentation Rubric” will be given to all members of the same project group.

**Administration**

1. Students will form their project groups by Week 3. The maximum number of students per project group is 5.
2. The project groups will select and finalize the project topic by Week 4.

Year	Crisis	Project Group
1929–1941	The Great Depression	
1973–1974	Oil Crisis	
1982–1985	Latin American Debt Crisis	
1987	Black Monday	
1989–1991	United States Savings & Loan Crisis	
1990–	Japanese Asset Price Bubble Collapsed	
1991–1992	Nordic Banking Crisis	
1992–1993	Black Wednesday	
1994–1995	Mexican Peso / Tequila Crisis	
1997–1998	Asian Financial Crisis	
1998	Russian Financial / Ruble Crisis	
1999–2002	Argentine Peso Crisis	
2007–2008	Global Financial Crisis	
2010	European Sovereign Debt Crisis	
2013	Hyperinflation in Venezuela	

3. Project presentations will begin from Week 12 in crisis chronological order, as far as possible.
4. The due date for submission of the deliverables is immediately after your presentation in class:
  - Please ensure that the topic, students' name, seminar group and project group are included in all your submissions.
  - Please upload your project deliverables into the "Assignments" folder of the BF2207 course website on NTULearn.
  - For soft copy submission, please name your file as "**BF2207-Sx-Gy-topic**" where **x** = seminar group number and **y** = project group number.

<b>Academic Year</b>	AY2022/23	<b>Semester</b>	1
<b>Course Coordinator</b>	Edmund Choong		
<b>Course Code</b>	BF2207		
<b>Course Title</b>	International Finance		
<b>Pre-requisites</b>	AB1201 Financial Management or BU8201 (B+) or BU5201 (B+) or RE8005 Financial Management*		
<b>No of AUs</b>	4		
<b>Contact Hours</b>	3hr x 13 weeks = 39		
<b>Proposal Date</b>	21 June 2022		

### A) Course Aims

This course is an introduction to international finance. The course serves to equip students with the ability to analyse and make managerial decisions in the context of a multinational firm.

### B) Intended Learning Outcomes (ILO)/Objectives

By the end of this course, students will be able to:

1. Describe the international financial environment in the context of international fund flows, international financial markets, and international financial agencies, and how they affect multinational corporations.
2. Discuss the relationships among inflation, interest rates, and exchange rates using the interest rate parity, the purchasing power parity and the international Fisher effect theories.
3. Explain exchange rate determination, and how firms can manage their exchange rate risk and capitalize on anticipated exchange rate movements.
4. Analyse multinational capital budgeting to enable firms to make informed investment decisions.
5. Analyse and propose managerial responses to a financial crisis or contemporary global financial issue.

### C) Course Content

*Part I: THE INTERNATIONAL FINANCIAL ENVIRONMENT.*

*Chapter 1. Multinational Financial Management: An Overview.*

*Chapter 2. International Flow of Funds.*

*Chapter 3. International Financial Markets.*

*Chapter 4. Exchange Rate Determination.*

*Chapter 5. Currency Derivatives#.*

*Part II: EXCHANGE RATE BEHAVIOUR.*

*Chapter 7. International Arbitrage and Interest Rate Parity.*

*Chapter 8. Relationships among Inflation, Interest Rates, and Exchange Rates.*

*Part III: EXCHANGE RATE RISK MANAGEMENT.*

*Chapter 10. Measuring Exposure to Exchange Rate Fluctuations.*

*Chapter 11. Managing Transaction Exposure.*

*Chapter 12. Managing Economic Exposure and Translation Exposure.*

*Part IV: LONG-TERM ASSET AND LIABILITY MANAGEMENT.*

*Chapter 14. Multinational Capital Budgeting.***D) Assessment (includes both continuous and summative assessment)**

Component	ILO Tested	NBS Learning Goal (Refer to Annex E for list)	Weighting	Team/Individual	Assessment Rubrics (Please insert rubrics as Appendix)
C1. Assignments	ILO1-4	Quantitative Literacy Skills	10%	Individual	Assignment Rubric
C2. Classroom Participations & Presentation	ILO1-4	Oral Communication Teamwork and Interpersonal Skills	10%	Individual / Group	Class Participation Peer Evaluation
C3. Project Presentation	ILO5	Oral Communication	10%	Individual	Project Presentation Rubric
C4. TEL Activities	ILO1-4	Acquisition of Knowledge	10%	Individual	N.A
C5. Quiz	LO1-4	Acquisition of Knowledge	15%	Individual	N.A
C6. Final Examination	LO1-4	Acquisition of Knowledge	45%	Individual	N.A
Total			100%		

**Important Notes:**

C1: The marks are allocated to the assignments as specified in the proposed weekly schedule.

Assignment submissions will be collected in class after the relevant material are discussed.  
Please do not email your assignment to the instructor.

The assignment submissions must be typed-written or legibly hand-written, and they must be submitted to the instructor in class on the due dates (as set by the instructor).

There is no required minimum length for answers to questions in the assignments. However, you should communicate clearly in writing up your submissions for the assignments. Your answers must display your understanding well and be written in a logical, complete, coherent, and well-organized fashion.

Copying solutions for the assignments from unauthorized sources (including from peers and seniors) are serious violations of the university honour codes. If caught, the student will be reported to the undergraduate office and be given an “F” grade for the course.

C2: Absence from class will affect your classroom participation and presentation marks.

This course requires you to be in class to participate in activities, discussions and presentations. There will be no make-up opportunities for in-class activities. If you will be absent from a seminar session, you must inform your instructor via email prior to the start of the class. If you are unable to attend class because of illness, you should submit a medical certificate to the Undergraduate Programme Office as soon as possible.

If you are unable to attend your registered seminar session in a particular week, you may request from instructor to attend his/her other sessions.

C3: Please refer to Appendix 3 for the detailed project requirements and assessment criteria.

C4: Approximately equal marks are allocated to the series of online technology-enabled learning (TEL) activities specified in the proposed weekly schedule.

The online TEL activities are accessible on NTULearn (<https://ntulearn.ntu.edu.sg/>) under the main BF2207 course website. If you complete the TEL activities and answer the self-test multiple-choice questions correctly, you will attain full mark for this component.

Please contact the Service Desk ([servicedesk@ntu.edu.sg](mailto:servicedesk@ntu.edu.sg)) if you have any problem or encounter any issue accessing the course website on NTULearn. When you contact the Service Desk, please include a brief description of the issue and relevant screenshots.

C5: The quizzes are closed-book exams that consist only multiple-choice questions. The intent of the quizzes is to examine how well you understand the topics covered in the course.

If you have medical conditions that require special arrangements for the quiz, you must inform your instructor latest by week 5. Please provide medical proof to substantiate your condition.

Students who fail to take the quiz will have a zero score unless they have a valid reason.

Valid reasons are:

- on medical leave (a medical certificate must be submitted);
- representing the school or the university in competition (official letter must be produced);
- bereavement (immediate family members only);
- job interview (allowed only for students in their final year).

The following reasons are invalid:

- hall competition;
- part-time job;
- overslept;
- interpersonal relationship issues;
- traffic jam or train service disruption;
- job interview (applies to students not in their final year);
- any other reasons deemed unacceptable by the instructor.

One of the following will apply for students who missed any of the quizzes for valid reasons: Instructor will rescale the total coursework marks (based on the weightage of the coursework components) of students who have missed a quiz for valid reasons.

Instructor will set a makeup quiz for students who missed a quiz for valid reasons. The makeup quiz remains a closed-book exam and it will be held the week following the scheduled quiz (details will be announced later). However, since a majority of students would have taken the earlier scheduled quiz, for equity reasons, the level of difficulty of the makeup quiz shall be higher and the format of the makeup quiz is not restricted to multiple-choice questions, i.e., the makeup quiz may consist entirely of structured questions. There will be no further makeup for the makeup quiz. Students who fail to take the makeup quiz, regardless of reasons, will have a zero score.

The intent of the final examination is to determine how well you understand the basic principles and tools of International Finance, and if you are able to apply them to novel as well as routine situations

The final examination consists of only structured questions, i.e., there is no multiple-choice question.

The final examination is a restricted-open-book exam where students may bring into the exam hall one A4-sized cheat sheet. You may use both sides of the A4-paper to include any information you want.

There is no restriction on the types and formats of information on the cheat sheet, i.e., you may include whatever mathematical formulas and computation steps, you may write on the cheat sheet, you may print using the smallest font size to maximize the content, etc.



The cheat sheet is restricted by its surface area. Thus, it is an offence to increase the writable/printable area of the A4-sized cheat sheet, e.g., you may not fold an A3-paper into two and present it as an A4-sized sheet, you may not use sticky notes on the cheat sheet, etc.

### **E) Formative feedback**

Instructor will provide students feedback throughout the course: Foremost, students will receive verbal feedback on their performances during in-class discussions and presentations. Students will also receive their graded assignment and quiz answer scripts. Students are encouraged to keep track of their performances and to take measures to improve themselves, such as by clarifying their doubts. Moreover, students will receive feedback on their teamwork skills via compulsory peer evaluation.

### **F) Learning and Teaching approach**

We conduct this course through weekly seminars and online technology-enabled learning (TEL) activities, commencing in Week 1 and ending in Week 13. For each week, students will complete about 1½ hour of e-lecture before the physical seminar. They will also prepare answers to questions in the problems sets and Blades cases.

<b>Approach</b>	<b>How this approach support students to achieve the learning outcomes</b>
Seminar	Interactive seminar sessions provide opportunities for open discussion. Questions raised during seminars allow students to think critically, and share their ideas and perspective with their peers. This also allows us to get the concepts clearly through the entire class, by involving each student present, and ensure that the targeted learning outcomes are being achieved. During in-class discussions, students will also receive immediate verbal feedback about the level of proficiency of their responses.
TEL	Online learning allows students to fit their learning schedule around their existing responsibilities and commitments. Students can engage with learning materials at whatever time that is most convenient to them, they don't have to travel anywhere to study, they can learn online from the comfort and safety of their own home.
Assignments & Quizzes	Students will receive feedbacks about their assignments and quizzes, and how they might go about improving their understanding.

This blended approach with a combination of physical seminars and online activities can be converted to fully online learning at any time if required by official safe management measures.

### **G) Reading and References**

B Adrian Buckley  
 Financial Crisis: Causes, Context and Consequences  
 Pearson Prentice Hall, 2011  
 (ISBN: 027373511X / Call No.: XX(1107178.1) e-book)

<http://catalogue.pearsoned.co.uk/educator/product/Financial-Crisis-Causes-Context-and-Consequences/9780273735113.page>

D Mihir A. Desai  
International Finance: A Casebook  
Wiley, 2007  
(ISBN: 0471737682 / Call No.: HG3881.D441)

<http://as.wiley.com/WileyCDA/WileyTitle/productCd-EHEP000672.html>

M\* Jeff Madura  
International Financial Management, 14th Edition  
Cengage Learning, 2020  
(ISBN: 9789814915007 / Call No.: HG3881.M183 & XX1752802.1)

<https://www.cengageasia.com/TitleDetails/isbn/9789814915007>

\* The primary textbook used for this course.

### **H) Course Policies and Student Responsibilities**

I expect you to come prepared for class as detailed in the proposed weekly schedule. As seminar time is precious, it must be used efficiently. You cannot be taught everything during the seminars. Much of your learning must occur outside the seminar room. At least you should plan to study two or more hours on your own for each hour of seminar.

You are expected to complete the online TEL activities and read the textbook for comprehension before the material is discussed in the seminar. When you are prepared, the faster-paced seminar discussion will make more sense. After the seminar, carefully reread the textbook along with your notes to reinforce your understanding of the material.

The textbook not only gives a detailed account of the material covered in the course, but it also contains problems to test your understanding. These problems should supplement those you see in the seminar. Try to work through the material and to fill in any omitted steps.

You should attempt all the assignments on your own and try additional problems in areas where you feel you are weak in. It is your responsibility to communicate clearly in writing up your submissions for the assignments. Your answers must display your understanding well and be written in a logical, complete, coherent, and well-organized fashion.

I stand ready to help you learn, but the responsibility is yours. If you are experiencing difficulty, make an appointment to see me during my office hours for extra help. If you do not do your part, then there is very little I can do to make up for it. (2) Absenteeism

Absence from class without a valid reason will affect your overall course grade. Valid reasons include falling sick supported by a medical certificate and participation in NTU's approved activities supported by an excuse letter from the relevant bodies.

If you miss a lecture, you must inform the course instructor via email prior to the start of the class.

**I) Academic Integrity**

NTU's Student Academic Integrity Policy requires all members of the NTU community to uphold the values of academic integrity in all academic undertakings. The policy defines the following acts as academic dishonesty:

- plagiarism,
- academic fraud and
- facilitating academic dishonesty.

All students are expected to read and observe the policy guidelines detailed at this website: <http://academicintegrity.ntu.edu.sg/for-everyone/policy/>. The academic integrity website also highlights the penalties that will be imposed on students who are found to have violated the policy, and the processes that will be followed when we deal with cases of academic dishonesty.

**J) Course Instructors**

Instructor	Office Location	Phone	Email	Consultation Hours
Edmund Choong			edmundchoong@ntu.edu.sg	By prior appointment via email
Thong Tiong Yang			tythong@ntu.edu.sg	By prior appointment via email

**K) Planned Weekly Schedule**

Week (Week beginning)	Topics	Learning Outcomes	TEL Activities (10%)	Readings* & Discussion (10%)	Assignments (10%)
1.	Introduction to International Finance	<ol style="list-style-type: none"> <li>To identify management goal and organizational structure of a Multinational Corporation (MNC).</li> <li>To describe the key theories that justifies international business.</li> <li>To explain the common methods used to conduct international business.</li> <li>To describe a model for valuing a MNC.</li> </ol>	Watch e-Lecture Series 1 Complete Review MCQ	<b>M</b> Chapter 1	

2.	International Flow of Funds	<ol style="list-style-type: none"> <li>6. To explain the key components of the balance of payments.</li> <li>7. To explain the growth in international trade activity over time.</li> <li>8. To explain how international trade flows are influenced by economic factors and other factors.</li> <li>9. To explain how international capital flows are influenced by country characteristics.</li> <li>10. To describe the agencies that facilitates the international flow of funds.</li> </ol>	<p>Watch e-Lecture Series 2</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 2</p> <p><i>Blades Case</i> – Exposure to International Flow of Funds</p>	
3.	International Financial Markets	<ol style="list-style-type: none"> <li>1. To describe the background and corporate use of the foreign exchange market, international money market, international credit market, international bond market and international stock markets.</li> </ol>	<p>Watch e-Lecture Series 3</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 3</p> <p><i>Blades Case</i> – Decisions to Use International Financial Markets</p> <p>Problem Set 1</p>	
4.	Exchange Rate Determination	<ol style="list-style-type: none"> <li>1. To explain how exchange rate movements are measured.</li> <li>2. To explain how the equilibrium exchange rate is determined.</li> <li>3. To explain factors that determines the equilibrium exchange rate.</li> <li>4. To explain the movement in cross exchange rates.</li> <li>5. To explain how financial institution attempt to capitalize on anticipated exchange rate movements.</li> </ol>	<p>Watch e-Lecture Series 4</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 4</p> <p><i>Blades Case</i> – Assessment of Future Exchange Rate Movements</p> <p>Problem Set 2</p>	

5.	Currency Derivatives <sup>#</sup>	<p>4. To explain how forward contracts are used to hedge based on anticipated exchange rate movements.</p> <p>5. To describe how currency futures contracts are used to speculate or hedge based on anticipated exchange rate movements.</p> <p>6. To explain how currency option contracts are used to speculate or hedge based on anticipated exchange rate movements.</p>	<p>Watch e-Lecture Series 5</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 5</p> <p><i>Blades Case – Use of Currency Derivative Instruments</i></p> <p>Problem Set 3</p>	<p>Assignment 1 (5%)</p> <p><i>FX Markets &amp; Transaction</i></p> <p>(D page 6–32, Question 1 to 9)</p>
6.	Exchange Rate Behaviour	<p>6. To explain the conditions that will result in various forms of international arbitrage and the realignments that will occur in response.</p> <p>7. To explain the concept of interest rate parity (IRP).</p> <p>8. To explain the variation in forward rate premiums across maturities and over time.</p>	<p>Watch e-Lecture Series 6</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 7</p> <p><i>Blades Case – Assessment of Potential Arbitrage Opportunities</i></p> <p>Problem Set 4</p>	
7.	Exchange Rate Behaviour (Continue)	<p>9. To explain the purchasing power parity (PPP) theory and its implications for exchange rate changes.</p> <p>10. To explain the International Fisher effect (IFE) theory and its implications for exchange rate changes.</p>	<p>Watch e-Lecture Series 7</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 8</p> <p><i>Blades Case – Assessment of Purchasing Power Parity</i></p> <p>Problem Set 5</p>	
ζ.	<b>Recess</b>				

8.	Exposure Management	<p>5. To explain the relevance of an MNC's exposure to exchange rate risk.</p> <p>6. To explain how transaction exposure, economic exposure and translation exposure can be measured.</p> <p>7. To explain the techniques commonly used to hedge payables and receivables.</p> <p>8. To explain limitations of hedging.</p>	<p>Watch e-Lecture Series 8</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 10</p> <p><i>Blades Case</i> – Assessment of Exchange Rate Exposure</p> <p>Problem Set 6</p>	
9.	<p><b>E-Leaning Week</b></p> <p>Quiz (<a href="#">15%</a>)</p>	<p>1. To explain how an MNC hedges its transaction exposure.</p>	<p>Watch e-Lecture Series 9</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 11</p>	
10.	Exposure Management (Continue)	<p>1. To explain how an MNC hedges its economic and translation exposure.</p>	<p>Watch e-Lecture Series 10</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 12</p> <p><i>Blades Case</i> – Management of Transaction Exposure</p> <p>Problem Set 7</p>	

14.	International Capital Budgeting	<ol style="list-style-type: none"> <li>1. To explain the capital budgeting analysis of an MNC's subsidiary versus its parent.</li> <li>2. To describe how multinational capital budgeting can be applied to determine whether an international project should be implemented.</li> <li>3. To explain how multinational capital budgeting can be adapted to account for special situations such as alternative exchange rate scenarios or when subsidiary financing is considered.</li> <li>4. To explain how the risk of international projects can be assessed.</li> </ol>	<p>Watch e-Lecture Series 11</p> <p>Complete Review MCQ</p>	<p><b>M</b> Chapter 14</p> <p><i>Blades Case</i> – Decision to Invest in Thailand</p> <p>Problem Set 8</p>	Assignment 2 ( <a href="#">5%</a> )
15.	Project Presentation ( <a href="#">10%</a> )	<ol style="list-style-type: none"> <li>1. To describe lessons learnt from historical economic and financial crises.</li> <li>2. To recommend proactive and reactive measures for crises.</li> <li>3. To prepare for the final exam.</li> </ol>		<b>B</b> Chapter 1	
16.				Sample Exam Papers	

\* Material covered in the appendices at the end of chapters is excluded from the course.

□ Material on derivative pricing are excluded (detailed derivative pricing is covered in the BF2209 Derivative Securities course).