

**COURSE DATA****Data Subject**

Code	35894
Name	International finance
Cycle	Grade
ECTS Credits	6.0
Academic year	2020 - 2021

Study (s)

Degree	Center	Acad. Period
1314 - Degree in International Business	Faculty of Economics	3 First term

Subject-matter

Degree	Subject-matter	Character
1314 - Degree in International Business	13 - International markets and finance	Obligatory

Coordination

Name	Department
CUELLO ALBORNOZ, GUSTAVO	172 - Business Finance

SUMMARY

International Finance is taught in the third year, first semester of the Bachelor in International Business from the University of Valencia. It is part of Markets and International Finance, and aims to introduce students to the field of international finance, analyzing the risks involved and the tools to mitigate or avoid them. Over the topics covered by the course we will analyze the international financial environment, the foreign exchange market and the risks arising from the globalization of business and existing tools for their coverage. The lectures are supplemented with practical exercises and readings that contribute to better learning of the theoretical risk.

PREVIOUS KNOWLEDGE



Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

OUTCOMES

1314 - Degree in International Business

- Develop the capacity to evaluate and critically analyse international economic phenomena and agents.
- Be able to work in multidisciplinary and intercultural teams.
- Understand the behaviour of economic agents and their interaction in global markets.
- Use the economic and financial information of the company to make decisions.
- Know how international financial markets work.
- Be able to generate ideas and detect business opportunities in international markets.
- Develop the capacity to prepare and defend reports that contribute to the decision-making of public and private agents.
- Tomar conciencia de la importancia de la función financiera en el desarrollo internacional de una empresa.
- Detectar oportunidades y amenazas de los distintos mercados financieros internacionales.
- Seleccionar y gestionar las vías de acceso a los mercados financieros internacionales.
- Aprender los conceptos financieros esenciales para estudiar y trabajar sobre/en los mercados financieros actuales.
- Conocer los principales mercados financieros internacionales y su evolución reciente.
- Aprehender las características, utilidad y forma de articulación en la práctica de los activos financieros internacionales.
- Comprender las relaciones existentes entre tipos de interés, tipos de cambio e inflación.

LEARNING OUTCOMES

Basic knowledge of the role, functioning and problems of regulation in financial markets.

Ability to perform a critical interpretation of financial reports, public and private.

Ability to discriminate and choose between different financial instruments to achieve a specific objective.



Ability to develop a critical view of the Regulatory Strategy in international financial markets.

Ability to negotiate the financial terms of trade agreement with a foreign client.

DESCRIPTION OF CONTENTS

1. Globalization

- 1.1. Introduction
- 1.2. International Monetary System
- 1.3. International Financial Markets
- Euromarkets
- Foreign Exchange markets

2. Foreign Exchange Market

- 2.1. Exchange rates
- 2.2. Foreign Exchange rate determination
- 2.3. Foreign Exchange rates and quotations

3. Foreign Exchange Exposure

- 3.1. Types of Foreign Exchange exposure
- 3.2. Credit risk
- 3.3. Country risk
- 3.4. Financial risks:
- Foreign Exchange risks
- Interest rate risks

4. Managing Commercial risks

- 4.1. Introduction
- 4.2. International trade finance
- 4.3. Documentation in a typical trade transaction

5. Managing financial risk

- 5.1. Foreign Currency Derivatives
- 5.2. Forwards
- 5.3. Futures
- 5.4. Options
- 5.5. Swaps

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Study and independent work	20,00	0
Preparation of evaluation activities	25,00	0
Preparing lectures	25,00	0
Preparation of practical classes and problem	20,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

The learning experience will consist of:

Lectures, where theory, models and techniques are presented and explained.

Case seminars, where students apply models and techniques to solve case studies. Part of these will be prepared alone by the students.

EVALUATION

The course is assessed by combining:

Continuous assessment: maximum 40% calculated from the note of the subject and based on the mechanisms determined by the lecturer to assess student participation and involvement in the teaching-learning process. This may include one or more mid-term exams. More information will be provided by the lecturer at the beginning of the classes.

Final exam: compute minimum of 60% of the mark, and will consist of a battery of test or multiple choice or true/false questions and / or several open short answer questions; and solving exercises.

Final exam must be passed to pass the subject.

REFERENCES**Basic**

- Eiteman, D.; Stonehill, A.; and Moffett, M. (2013): Multinational Business Finance. Pearson Addison-Wesley, 13th ed.



- Eun, C.; and Resnick, B. (2012): International Financial Management. Mc-Graw Hill, 6th ed.
- Martín, L.L. y Téllez, C. (2014): Finanzas internacionales. Paraninfo. Madrid
- Shapiro, A. (2009): Multinational Financial Management. Wiley, 9th ed.
- Duran, J.J. y Gallardo F. (2013): Finanzas internacionales para la empresa. Pirámide. Madrid.

Additional

- Lopez, F.; and Garcia, P. (2006): Finanzas en mercados internacionales. Mac-Graw-Hill
- González, S. (2000): El Sistema Monetario Internacional y el Mercado de Divisas. Pirámide. Madrid.
- Homaifar, G. (2004): Managing Global Financial and Foreign Exchange Rate Risk. Wiley.
- Hernández, L. (2003): Los riesgos y su cobertura en el comercio internacional. FC Editorial.
- Desai, M. (2006): International Finance: A Casebook. Wiley.

ADDENDUM COVID-19

This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council

Classes will be taught face-to face or remote, in accordance to circumstances.

More information will be provided by the lecturer at the beginning of the course and when it would be necessary.

Final exam is expected to be in person as long as sanitary conditions allow it. Otherwise, students will be informed in advance.