

## SUBJECT TEACHING GUIDE

### G914 - International Finance

#### Degree in Business Administration and Management

Academic year 2023-2024

1. IDENTIFYING DATA					
Degree	Degree in Business Administration and Management			Type and Year	Optional. Year 4
Faculty	Faculty of Economics and Business Studies				
Discipline	Subject Area: Applied Finance				
Course unit title and code	G914 - International Finance				
Number of ECTS credits allocated	6	Term	Semester based (1)		
Web					
Language of instruction	Spanish	English Friendly	Yes	Mode of delivery	Face-to-face

Department	DPTO. ADMINISTRACION DE EMPRESAS				
Name of lecturer	CARLOS LOPEZ GUTIERREZ				
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Other lecturers					

### 3.1 LEARNING OUTCOMES

- To know the fundamentals of Foreign exchange markets and manage exchange rates
- Being able to analyze the parity of the different currencies
- To know the mechanisms of hedging risk and be able to apply them in practice
- To know the implications of the existence of international financial markets
- To understand the effect the international activity has on financing and investment decisions

#### 4. OBJECTIVES

In a globalized world, knowing how international markets work is crucial in order to develop a successful professional career in the field of economics and business administration.

The objective of the course is to provide the student with the necessary instruments to interpret the concepts and models of Financial Theory in the context of international relations and analyze practical situations in exchange rate risk management .

Specifically, the students will be able to understand the Foreign Exchange Market and international parity relationships. In addition, they will be able to analyze risk, as well as use financial derivatives to hedge it.

In the second block, the students will study the fundamental concepts of international capital markets and the influence that this environment exerts on the financing and investment decisions of the company. This will provide them with a global understanding of the effect that international activity has on the main financial decisions of the company , a fundamental aspect for the development of their professional career in the future.

All this will be done with an eminently practical and applied approach, which also allows students to develop the skills and abilities necessary to improve their performance for their incorporation into the labour market. Specifically, students will learn to solve complex problems using Excel spreadsheet, to automate processes through programming, or to use simulation models to analyse financial problems, enhancing their ability to work in groups using the necessary tools to solve the problems.

#### 6. COURSE ORGANIZATION

##### CONTENTS

1	<b>PART I: FOREIGN EXCHANGE MARKET AND EXCHANGE RATES</b>
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**1.- THE FOREX ORGANIZATION**

- Forex main characteristics
- International monetary system
- Exchange Rates
- International Parity conditions

**2.- HEDGING AND RISK MANAGEMENT**

- Hedging using swaps
- Hedging using futures and options

2	<b>PART II: INTERNATIONAL CORPORATE FINANCIAL DECISIONS</b>
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**3.- INTERNATIONAL FINANCIAL MARKETS**

- International markets and portfolio management
- Financial globalization
- Risk and return in financial international investments

**4.- FINANCING THE INTERNATIONAL BUSINESS**

- Public funds for international investment projects
- International financing sources
- International cost of capital (WACC)

**5.- FOREIGN INVESTMENT ANALYSIS**

- International firms
- Risks of international investments
- Valuation of international investments

**7. ASSESSMENT METHODS AND CRITERIA**

Description	Type	Final Eval.	Reassessn	%
Practical work in group	Work	No	Yes	30,00
Continuous assessment activities	Others	No	No	10,00
Midterm exam (Exam Part I)	Written exam	No	Yes	30,00
Final exam (Exam Part II)	Written exam	Yes	Yes	30,00
<b>TOTAL</b>				<b>100,00</b>

**Observations**

The course is designed to follow an approach of continuous assessment throughout the semester, so that continued attendance and completing intermediate tasks are necessary. Daily control assistance will be made, although the attendance is not part of the evaluation.

All partial qualifications, if successfully overcome, will form the final grade for the course, be necessary to obtain at least 5 points rating of 10.

The following conditions of evaluation are required

- Students must submit all proposed group work, obtaining a minimum score of 5 out of 10. This part can only be recovered in the second call. Attendance to class will be compulsory for those practices that take place in the computer classroom. The individual qualification of each student in this section will be obtained considering the co-evaluation carried out among all the members of the group at the end of the subject. Specifically, the 30% of the total grade for group work will be calculated by applying a correction factor obtained from the scores of the co-evaluation carried out among the members of each group.

- It is necessary to make at least 75% of continuous assessment activities to be rated in this section, otherwise the qualification will be zero (this is a non-recoverable part).

- It is necessary to get more than 4 out of 10 points in each of the individual exams.

To carry out the work throughout the semester students will form groups during the first two weeks .

The first day of class all the details related to the evaluation, the formation of groups and the necessary considerations to pass the subject will be explained. The students will have detailed instructions that will develop what is established in this teaching guide.

Students who fail the course in the first call will be allowed to take the second call to retrieve all failed parts (all that have not reached a mark of 5 points).

**Observations for part-time students**

Part-time students should contact the teacher in the first two weeks of class to analyze their situation.

If they wish, they can follow the continuous assesment with the same requirements as the rest of the students, but hey must contact the teacher during the first two weeks to form groups as the other students.

Otherwise, they will be able to pass the subject obtaining more than 5 in a specific theoretical-practical final exam on all the contents of the course.

**8. BIBLIOGRAPHY AND TEACHING MATERIALS****BASIC**

- MARTÍN MARÍN, J.L.; TÉLLEZ VALLE, C. (2014): Finanzas internacionales. Thomson.
- EITEMAN, D.; STONEHILL, A. Y MOFFET, M. (2011): Las finanzas en las empresas multinacionales. Pearson Educación. 12ª edición
- DURÁN HERRERA, J.J.; GALLARDO OLMEDO, F. (2013): Finanzas internacionales para la empresa. Pirámide.
- GARCÍA ESTÉVEZ, P.; DÍEZ DE CASTRO, L. (2009): Mercados financieros internacionales. Delta publicaciones.
- LOPEZ LUBIAN, F.J. (2006): Finanzas en mercados internacionales, McGrawHill.

**ENGLISH**

- EITEMAN, D.; STONEHILL, A. Y MOFFET, M. (2016): Multinational Business Finance. Pearson
- EUN, C. Y RESNICK, B. (2014): International Financial Management. McGraw Hill.