

## **INTERNACIONAL FINANCES II**

**COURSE:** SECOND

**SEMESTER:** SECOND

**TYPE:** OBLIGATORY

**CREDITS:** 6

**LANGUAGE:** ENGLISH

**SENIOR LECTURER:** [NOELIA PÉREZ](#)

### **OBJECTIVES:**

On the basis of the class, the students will consolidate not only the generic financial concepts that are behind the usual operations, but also learn the specificities of the international financial operation. They must know the main entities and organizations in the sector as well as the regulators and their functions. The student will learn to analyse the environment and be able to design strategies for the creation of actions and proposals of benefits for the company or its investments in international markets.

### **COMPETENCES:**

#### **BASIC**

- **CB1** – That students have demonstrated to possess and understand knowledge in an area of study that starts from the base of general secondary education, and is usually found at a level that, although supported by advanced textbooks, also includes some aspects that imply knowledge coming from the forefront of his field of study.
- **CB4** – Some students can transmit information, ideas, problems, and solutions to a specialized or specialized non-specialized.
- **CB5** – Some students have developed the learning skills they need to learn later studies with a high degree of autonomy.

## **GENERALS**

- **CG1** – Observing with a global vision, planning, organizing and managing activities in the business and companies' world.
- **CG5** – Developing a high communicative capacity in English, orally and written.
- **CG6** – Seeking and exploiting new informational resources and applying quantitative criteria and qualitative aspects in the decision-making process.

## **TRANSVERSALS:**

- **CT7** – Becoming the main actor of the training process itself in view of personal and professional improvement and the acquisition of an integral training that allows learning and living in a context of linguistic diversity, with diverse social, cultural and economic realities.

## **SPECIFICS:**

- **CE1** – Analyze a business organization with an international dimension based on economic principles that allow the identification of the most determining factors in the results.
- **CE2** – To know the terminology, concepts, techniques and practices of financial accounting, cost accounting and financial analysis and its application to international transactions to know how to assess and discuss the economic and financial position of an organization.
- **CE10** – Manage any activity and make decisions in different functional areas of an organization with international activity.

## **LEARNING OUTCOMES:**

- **R2** – Prepares reports for third parties on the financial movement of the company.

- **R4** – Analyze the internal economic circulation of the company or internal movement of values, by analyzing the functions, sections and / or activities that make up its value chain
- **R8** – The students will be able to establish the effects of different financial structures over the profitability and risk levels of a company.
- **R9** – The students will be able to determine the operative necessities of funds.
- **R10** – The students will be able to communicate to every kind of audience (specialized or not) in a precise and clear way, concerning knowledge, methodologies, ideas, problems and solutions in the fields of accounting and finances.
- **R11** – The student will be able to identify their own formative necessities in the accounting and financial fields and organize their own learning with a high level of autonomy in every context, structured or not.
- **R12** – The student will have knowledge and ability to manage financial products in international monetary market field

## **CONTENT:**

### **1. International monetary system**

- What's the international monetary system?
- What's gold standard?
- What's Bretton Woods system?

### **2. Theories about determining exchange rate**

- Determine the nominal exchange rate.
- Determine the real exchange rate.
- PPPT theory
- TPTI Theory.
- Fisher Theory
- Fisher international theory

### **3. Currency market, cash and forward operations**

- Definition and characteristics

- Cash market.
- Credit market
- International arbitration options.

#### **4. Monetary and capital markets**

- Definition and characteristics
- Currency market size
- Fixed exchange

#### **5. International credit market**

- Introduction
- Financial market evolution
- Advantages and disadvantages of operating in different markets
- Multinational bank

#### **6. Fixed rate international market**

- Introduction
- Major trading exchanges in the world
- Stock indices
- International capitals market
- Spanish public debt market
- Other international fixed income assets

#### **7. Equity international market**

- Introduction
- Market structure
- Monetary market

#### **8. Managing of international portfolios**

- Introduction.
- Basic concepts
- CAPM
- Model of international asset valuation

#### **9. Derivatives market**

- Introduction

- Derivatives products
- Participants in a derivative market
- Participants in an international derivative market

### 10. Direct foreign investment

- Introduction
- Types of FDI
- Methods of FDI
- Forms of FDI incentives

### 11. Taxation of international finances

- Introduction
- Basic concepts of international taxes
- Multinational corp tax
- Spanish tax

### EVALUATION SYSTEM:

Task	(%)	Details
2 activities (2 different activities)	15	7,5% each activity
Finance plan (groups of up to 5 people)	35	5% the summary, 20% the report, 10% the presentation.
Partial exam A	25	Exam organised in 2 parts: 1) Multiple choice (10 questions *1,5% = 15% total) 2) Case study analysis: 10%
Partial exam B	25	Exam organised in 2 parts: 1) Multiple choice (10 questions *1,5%= 15%) 2) Case study analysis (10%)

- Partial Exam I: 25% - Minimal grade to pass 5/10 (five over 10).

Susceptible of recovery by means of a complementary exam, as long as the student has correctly developed the rest of the continuous evaluation (to make average, student

must **deliver** Finance Plan (composed by summary, report and presentation) and **deliver** the 2 activities, always on the right delivery date uploaded to MOODLE.

- Partial Exam II: 25% - Minimal grade to pass 5/10 (five over 10). Second exam includes just the second part of the course.

Susceptible of recovery by means of a complementary exam, as long as the student has correctly developed the rest of the continuous evaluation (to make average, student must **deliver** the Finance Plan (composed by summary, report and presentation) and **deliver** the 2 activities, always on the right delivery date uploaded to MOODLE.

- Finance Plan: 35%. Mandatory project. The student will be a part of a team, developing the project together. The project must have a complete Finance Plan. The title of the project has to be approved by the teacher.

To be average and be able to recover failed exams must have been **uploaded** with all its phases to MOODLE.

- PHASE 1: 5% (Mandatory)

A Summary (two page max) must be delivered on the given date and upload to MOODLE. The summary will be the first idea to start developing the project and with teachers help to continue correctly for its development.

- PHASE 2: 20% (Mandatory)

Finance Plan must be delivered on the given date and upload to MOODLE.

- PHASE 3: 10% (Mandatory)

PPT Presentation must be uploaded to MOODLE on the correct delivery date. Also it is mandatory to attend and take part in the public presentation. To be able to recover exams or be evaluated it is mandatory to make public presentation or in exceptional cases in video format, being approve previously by the teacher.

- Activities: 15%. (Mandatory)

2 activities will be given during the whole course. Details on the resolutions will be evaluated. Also creativity on own opinion or ideas must be reflected on the report. All report activities must be **uploaded** to MOODLE to be average.

- **Complementary exams:** In case of failing the first, second or both partials exams, the student will be able to attend to the recovery exam:
  - If fail **1<sup>st</sup> exam**. Will have to recover one exam with just 1<sup>st</sup> partial exam content.
  - If fail **2<sup>nd</sup> exam**. Will have to recover one exam with just 2<sup>nd</sup> partial exam content.
  - If fail **1<sup>st</sup> & 2<sup>nd</sup> exam**. Will have to recover one exam that will have both partials contents.

These will apply only if he/she has developed the continuous evaluation (the student must **delivered** the Finance Plan (composed by summary, report and presentation) and **delivered** the 2 activities, always on the right delivery date uploaded to MOODLE). If not, the student will fail the subject.

**Participation in the roll game, class debates, kahoot... will be taken into consideration, both participation, as creativity, criticism, opinion, problem solving, etc.**

***The student must pass with 5 or more the two partial exams so that both are average, also deliver the Finance Plan (composed by the summary, the report and presentation), and deliver 2 activities reports in the correct delivery dates. Everything must be uploaded to MOODLE to be evaluated.***

***The teacher takes into account the evolution, progress, proactivity, effort and development of the continuous evaluation of each student. In addition, it will take into account the Assistance and Active Participation on the debates, games, etc.***

#### **METODOLOGY:**

The subject is classroom-based and combines theoretical knowledge with its practical implementation. Through classroom sessions, the lecturer will expose contents of the program using different learning methodologies, besides proposing activities in which acquired theoretical knowledge will be applied to real case studies. Furthermore, the students must do individual activities during the hours of personal work.

Additionally, during the hours of personal work, the students will make a final project with their respective oral presentations at the end of the academic period. They will have hours of tutoring with the teacher with the purpose of supervising and guiding the development of the project.

Finally, we recommend to the students that they use some hours of personal work to this subject every week in order to consolidate the acquired knowledge of each topic. This personal work will consist of making a review of theoretical aspects given in class and complement them with the basic bibliography.

#### **BASIC BIBLIOGRAPHY:**

- [ESERP online library] - Kouretas, G.P. (2014). *Macroeconomic Analysis and International Finance*. Emerald Group Publishing Ltd.
- [ESERP online library] - Singh, T. Kumar, A. (2007). *International Trade Finance. A Pragmatic Approach*. Palgrave Macmillan.
- Baker, H.K. Riddik, L.A. (2013). *International Finance Survey*. OUP USA.
- Melvin, M. (2012). *International Money and Finance*. Academic Press.