

INTERNATIONAL FINANCES I

COURSE: SECOND

SEMESTER: FIRST

TYPE: BASIC

CREDITS: 6 ETCS

LANGUAGE: ENGLISH

SENIOR LECTURER: [JORDI ROSELL](#)

OBJECTIVES:

The main objective of the subject is to give the students the knowledge about international finances. They will know about the different international monetary markets and learn to work with stock markets and international merchandises. As well as realizing cash and forward operations, recognizing the risk in an international scenario, knowing the various payment methods in international trade: documented credit and letter of credit.

COMPETENCES:

GENERAL

G1 - Observing with a global vision, planning, organizing and managing activities in the business and companies' world.

G5 - Developing a high communicative capacity in English, orally and written.

G6 - Seeking and exploiting new informational resources and applying quantitative criteria and qualitative aspects in the decision-making process.

BASIC

CB1 - Having and understanding knowledge in an area of study based on secondary general education, and usually finding them at a level based on advanced text books but also including some aspects involving knowledge coming from their study field's vanguard

CB4 - Capacity of transmitting information, ideas, problems and solutions to a specialized or not specialized public.

CB5 - Developing of learning abilities needed to undertake future studies with a high level of autonomy.

TRASVERSAL

T7 - Getting to be the principal actor of the formative process itself in views of personal and professional improvement, as well as acquisition of integral formation allowing them to learn and coexist in a context of language diversity, with social, cultural and economic different realities.

SPECIFIC

E1 - Analyzing a business organization of international dimension based on economic principles that allow the identification of the most determinant factors in the results.

E2 - Knowing the terminology, concepts, techniques and practices of financial accounting, cost accounting and financial analysis and its application to international transactions in order to valuate and discuss the economic and financial position of an organization.

E10 - Managing any activity and taking decisions in different functional areas of an international organization.

LEARNING OUTCOMES:

R1 – Applies rules, principles and accountant procedures to register financial operations in a business.

R2 – Elaborates reports for third parties about the financial movements in the company.

R4 – Analyze economic internal movements in the company or internal value movements, through analyzing function, sections and/or activities in the company value chain.

R8 - The students will be able to stablish the effects of different financial structures over profitability and risk's levels of a company.

R9 - The students will be able to determine the operational necessities of funds.

R10 - The students will acquire the capacity of transmitting accounting and financial information, ideas, problems and solutions to a specialized or not specialized public.

R11 - The students 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 students will have knowledge and capacity to manage financial products in the international monetary market.

CONTENT:

Part One: Value

Goals and Governance of the Firm

How to Calculate Present Values

Valuing Bonds

The Value of Common Stocks

Net Present Value and Other Investment Criteria

Part Two: Risk

Introduction to Risk and Return

Portfolio Theory and the Capital Asset Pricing Model

Risk and the Cost of Capital

Part Three: Options

Understanding Options

Valuing Options

Part Four: Risk Management

Managing risk

EVALUATION SYSTEM:

EVALUATION SYSTEM	%
Class participation and class activities	20%
Activities and problem sets	30%
Exams (3)	50%

There will be three exams that will be averaged and the final mark will correspond to 50% of the total course mark.

There will be three problem sets during the course, and their grade will be averaged and weighted to 30% of the total course mark.

Class participation and class activities corresponds to:

- Class activities: surprise exams during the course to check student performance. Around three surprise exams will be done, and the mark will be averaged and weighted to 10% of the total course mark.
- Class participation: students will answer Kahoot questions on the class. Final mark will be obtained attending the students total correct answers divided by best students total number of correct answers. It will be weighted to 10% of the total course mark.

Final mark could be increase due to an excellent student good performance.

On revaluation, the final mark is 70% exam, activities (18%) and class participation (12%).

METHODOLOGY:

The subject is classroom-based and combines theoretical knowledge with its practical implementation. Through classroom sessions, the teacher will expose contents of the program using different learning methodologies, besides making group activities in which acquired knowledge will be put into practice. 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 by groups 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.

REFERENCE BOOK:

- Principles of Corporate Finances (Brealey, Myers and Allen). From 8th to 10th edition.

I encourage students to bring the book chapters on classes. The majority of activities will be from the book and I would refer to specific chapters to complement formal classes.

COMPLEMENTARY BOOKS

- Financial Fitness Forever: 5 Steps to More Money, Less Risk, and More Peace of Mind. Paul A. Merriman and Richard Buck
- Corporate Finance, 10th Edition, by Stephen Ross, Randolph W. Westerfield and Jeffrey Jaffe.
- Investments, 10th Edition, by Zvi Bodie, Alex Kane and Alan J. Marcus
- Financial Fitness Forever: 5 Steps to More Money, Less Risk, and More Peace of Mind. Paul A. Merriman and Richard Buck
- “International Trade and Finance” Anders Grath (2nd Edition) – KoganPage
- “International Trade Finance” Kwai Wing Luk (2nd Edition) -City University of Hong Kong Press
- “Finance of International Trade” Eric Bishop - Elsevier Butterworh-Heinemann
- “Finance of International Trade” - Banking and Finance Series L. Waxman - Graham & Trotman