

Syllabus

for course at first level

International Finance

Internationell finansiering

7.5 Higher Education

Credits

7.5 ECTS credits

Course code:	FE3127
Valid from:	Spring 2017
Date of approval:	2013-12-02
Changed:	2016-11-14
Department	Stockholm Business School
Main field:	Företagsekonomi
Specialisation:	G1F - First cycle, has less than 60 credits in first-cycle course/s as entry requirements

Decision

The syllabus is decided by the Faculty of Social Sciences on December 2, 2013, revised June 12, 2014, last revised by The Educational Committee of the Stockholm Business School, Stockholm University, 2016-11-14.

Prerequisites and special admittance requirements

45 credits from Business Studies I and II, or equivalent.

Course structure

Examination code	Name	Higher Education Credits
3127	International Finance	7.5

Course content

The steady trend towards economic globalization increases the significance of international links for both countries and companies. In this course, students will first learn the basic theoretical underpinnings of international trade and then focus on how it is organized in practice, with strongest emphasis on the management of multinational companies (MNCs). The material can be roughly divided into four segments:

1. Basics of currency exchange: terminology, quoting conventions, cross-rates, triangular arbitrage, structure and functioning of the foreign exchange (FX) market
2. Institutional and conceptual background: international monetary system, balance of payments, parity conditions, forecasting exchange rates
3. Managing FX exposure: measuring transactional, translational and operational exposure; hedging instruments and strategies
4. International investments and valuation: cost of capital; foreign direct investments (FDI) and cross-border mergers and acquisitions (M&A); international taxation

Students should expect a good deal of calculations and have a basic grasp of Excel to succeed in the course.

Learning outcomes

Intended Learning Outcomes

Upon completion of the course you should be able to:

Knowledge and understanding

1. Understand the major parity conditions and their implications for exchange and interest rates.
2. Understand how international money flows and exposures are accounted for at the corporate and national levels.

Skills and abilities

3. Perform calculations involving exchange rates and assess their impact on national accounts, company operations and portfolio investments.
4. Analyse international capital budgeting decisions.

Judgement and approach

5. Identify and evaluate foreign direct investment and international acquisition opportunities.
6. Evaluate and express well-considered opinions on issues relating to international financial management.

Education

The course consists of a combination of lectures, seminars and group work and requires a significant portion of self-study on the part of students. Assessment for the course will be continuous and is carried throughout the different activities of the course.

The course workload is 200 hours equivalent to 7,5 ECTS (40 hours per week equivalent to 1,5 ECTS).

The language of instruction is English.

Please note that all teaching and learning activities - such as lectures, seminars, assignments and assessment tasks – are carried out in English when the language of instruction is English.

Forms of examination

Assessment for the course will be continuous and is carried throughout the different course activities. Each assessment task is weighted in relation to its importance in the overall assessment of the course. The student's results from the different assessment tasks are added up to a total course score that will then translate into the final grade for the course.

Assessment tasks

The course contains the following weighted assessment tasks:

1. Individual written exam: assesses intended learning outcomes 1–6; constitutes 60% of total course points.
2. Quiz (Multiple Choice Test): assesses intended learning outcomes 1–4; constitutes 10% of total course points.
3. Group Project: assesses intended learning outcomes 1–6; constitutes 30% of total course points.

Grading

After completion of the course, students will receive grades on a scale related to the intended learning outcomes of the course. Passing grades are A, B, C, D and E. Failing grades are Fx and F. A grade Fx can be completed for a grade E.

A course comprises 0–100 course points. Receiving a final passing grade requires ≥ 50 course points. The scale for the final grade is tied to fixed score intervals: A: 90-100; B: 80-89; C: 70-79; D: 60-69; E: 50-59; Fx: 45-49; F: 45. The grades correspond to the total score points a student obtains (over a total of 100) for all the weighted assessment tasks combined as part of the continuous assessment for the course.

Each assessment task is awarded 0–100 points. The score for a single assessment task is the number of points multiplied by its percentage weight, and the combined total of score points for all weighted assessment tasks

for the course are added up to a final score between 0 and 100 which then translates into a corresponding final course grade between A and F.

All assessment tasks are assessed on a 100-point scale.

The student is responsible for completing the course's assessment tasks: that a sufficient amount of course points is earned and a passing course grade is obtained. The course's final assessment task can only be taken twice: 1) during the course, its first final assessment task; and, if a passing result (≥ 50 course points) was not achieved at the first occasion, 2) in the course's second, scheduled final assessment task. All other assessment tasks are only offered once during the course.

A passing grade (A–E) in the course is obtained when a student has achieved ≥ 50 course points.

A failing grade (Fx or F) in the course is obtained when a student has not achieved ≥ 50 course points:

- If 45–49 course points are achieved, a grade Fx is obtained, which can be completed for a grade E within 3 semester weeks after receiving instructions from the course director. If a complementary task is not completed within this time limit, and the course's two final assessment tasks have been accomplished, the course grade Fx is confirmed, implying that the student must re-register for the course and that previously acquired course points are forfeited. Note that first-time registered students have priority access to the seminar groups.

- If 45 course points are achieved, a grade F is obtained, implying that the entire course must be retaken and that previously acquired course points are forfeited.

Students receiving a passing grade may not retake the final examination or complete a previously not completed assessment task to attain a higher grade. A passing grade may not be turned into a failing grade upon the request of a student.

Assessment criteria

Assessment criteria are designed as overall assessments, combined qualitative descriptions of what the student is expected to do in order to demonstrate how well the course's learning outcomes are achieved. The assessment criteria are based upon the general abilities as expressed in the degree objectives of the Higher Education Ordinance (appendix 2, System of Qualifications). The list of abilities below is a compilation of these degree objectives. To pass the course (grade E) students should demonstrate general ability to:

- recall, understand and explain course content, the course subject and its scientific basis and methodology;
- apply course content;
- critically analyse course content;
- problematise course content;
- relate course content to current social issues.

The following assessment criteria are used to decide to what extent students have demonstrated these abilities and hence fulfil the course's intended learning outcomes, whereby a grading decision can be made. A higher grade-level presupposes the abilities at lower levels.

A (Excellent) ☐

The student demonstrates ability to evaluate and relate to the content of the course from a comprehensive, critically reflective perspective, as well as to transfer and apply insights in new, meaningful contexts.

B (Very Good) ☐

The student demonstrates ability to, from an overarching and coherent perspective of the field, understand and use concepts to explain how different aspects of the course relate to each other, interconnect and become meaningful.

C (Good) ☐

The student demonstrates ability to discuss the content, tasks and complex issues dealt with in the course

from several well-developed but mainly independent perspectives.

D (Satisfactory) ☐

The student demonstrates satisfactory ability to discuss the content, tasks and complex issues dealt with in the course in a way that, albeit in-depth and elaborate, is decidedly one-dimensional.

E (Sufficient) ☐

The student demonstrates sufficient ability to discuss the content, tasks and complex issues dealt with in the course in a way that is decidedly one-dimensional.

Fx (Fail) ☐

The student's knowledge, skills and abilities display minor flaws, overall or in significant parts.

F (Fail) ☐

The student's knowledge, skills and abilities display major flaws, overall or in significant parts.

Interim

If the course is discontinued, or its contents are substantially altered, students have the right to be examined according to this syllabus once per semester for three further semesters.

Limitations

This course may not be included in a degree together with a course, taken in Sweden or elsewhere, of identical or partially similar content.

Misc

Exemption from an assessment task is granted if the student presents a valid reason and a written certification (such as illness and a medical certificate), whereupon the student may re-sit the assessment task at a later date while maintaining previously acquired course points.

Application for exemption should be submitted to the Director of Studies immediately after, or during planned absences well before, the date when the assessment task is carried out. A granted exemption expires at the end of the immediately following semester.

Required reading

Required Reading

Eiteman, D.K., Stonehill, A.I. and Moffett, M.H. (2016), Multinational Business Finance, Global Edition, 14th Edition, Pearson Education, Inc.

A selection of academic articles (updated each semester, see the study guide).