<table>
<thead>
<tr>
<th>Course Title:</th>
<th>International Finance</th>
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<tbody>
<tr>
<td>Course Code:</td>
<td>ROMA IBUS 302</td>
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<tr>
<td>Subject:</td>
<td>Business, Economics</td>
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<tr>
<td>Credits:</td>
<td>3</td>
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</table>
| Semester/Term: | ☒ Semester  
☐ J-Term  
☐ Summer |

| Course Description: | The International Finance course is analytical in nature and requires solid quantitative skills. It introduces the student to topics of international corporate financial and investment management. The course presents the financial theories and quantitative tools necessary for making international financial decisions. Extensive coverage is given to the topics of (1) various types of risk exposures involved in international business and types of instruments for global risk management; (2) operations of foreign exchange, international banking and money, international bond and equity markets; (3) financing and investment decisions that multinational firms face in the real world; and (4) derivative markets and investment strategies. The course helps develop the skills necessary to function as an international financial manager. The course will make use of the program’s unique setting in Italy and the European Union’s analytical in nature and requires solid quantitative skills. It introduces the student to topics of international corporate financial and investment management. |

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<table>
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<tr>
<th>Course Requirements:</th>
<th>Required Text</th>
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International Finance is an especially dynamic area, and students are therefore urged to follow current developments in the press. This includes reading the following publications:

- Bloomberg (www.bloomberg.com)
- The Economist (www.economist.com)
- Financial Times (www.ft.com)
- The Wall Street Journal (www.wsj.com)
### Assignments

<table>
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<tr>
<th>Course Requirements</th>
<th>Percentages</th>
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<tr>
<td>1. Midterm Exam</td>
<td>30 %</td>
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<td>2. Final Exam</td>
<td>30 %</td>
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<tr>
<td>3. Group Projects &amp; Homework</td>
<td>30 %</td>
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<tr>
<td>4. Class Participation</td>
<td>10 %</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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### Learning Outcomes and/or Expected Student Competencies:

On completion of the course, students should be able to:

**Learning Outcomes**

1. summarize the international aspects of financial decision making: individuals skilled at understanding, identifying, measuring, pricing and hedging economic and financial exposures to exchange rate movements continue to be in demand not just on Wall Street but elsewhere in the corporate and policy world

2. use tools that are familiar from the key finance course (Business Finance), as well as many new tools not seen previously in the curriculum

3. list and describe main instruments used by foreign-currency traders and of the exchange rate determination process, before covering the concepts necessary to tackle FX risk measurement and management, international capital budgeting, international financing (including swaps), international portfolio diversification

### Course Outline:

<table>
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<tr>
<th>Session</th>
<th>Topic</th>
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<tbody>
<tr>
<td><strong>Session 1</strong></td>
<td><strong>Introduction to the Course</strong>&lt;br&gt;Introduction – International Finance Today&lt;br&gt;&quot;Inside Job&quot; movie projection&lt;br&gt; - Ch. 1 + app. 1a</td>
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<td><strong>Session 2</strong></td>
<td>International Monetary System - Balance of Payments – The Foreign Exchange Market - FX Quotations.&lt;br&gt;International Parity Relationship.&lt;br&gt;Sovranational Entities: ECB, FED, IMF, World Bank&lt;br&gt;The &quot;Economic Hitman&quot; - movie projection&lt;br&gt; - Ch. 2-3-5 app. 3°</td>
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<tr>
<td><strong>Session 3</strong></td>
<td>Forecasting Foreign Exchange Rates.&lt;br&gt;Ch. 6 + app. 6°</td>
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<td><strong>Session 4</strong></td>
<td>Futures and Options contracts and The FX&lt;br&gt; - Ch. 7&lt;br&gt; - HW1&lt;br&gt; <strong>Field Study</strong> in Tuscany - Wine Investing</td>
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<tr>
<td>Session</td>
<td>Topic</td>
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<td>5</td>
<td>Transaction and Economic Exposures - Midterm Review&lt;br&gt;Ch. 8-9</td>
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<td>6</td>
<td>Mid-Term Exam &amp; Semester Break</td>
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<td>7</td>
<td>Translation Exposure&lt;br&gt;Ch. 10</td>
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<td>8</td>
<td>Fixed Income Instruments.&lt;br&gt;International Banking and Money Markets&lt;br&gt;Ch. 11-12</td>
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<td>9</td>
<td>Interest Rate and Currency Swaps&lt;br&gt;Ch. 14&lt;br&gt;HW2</td>
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<tr>
<td>10</td>
<td>Equity Markets. International Portfolio Investment.&lt;br&gt;Ch. 13 and 15 + Handouts</td>
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<td>11</td>
<td>Foreign Direct Investment and Cross Border Acquisitions&lt;br&gt;International Capital Structure and the Cost of Capital&lt;br&gt;Ch. 16-17&lt;br&gt;International Capital Budgeting - International Tax&lt;br&gt;Environment - Today's Paradox&lt;br&gt;Ch. 18 – 21&lt;br&gt;Project&lt;br&gt;FINAL EXAM REVIEW</td>
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<tr>
<td>12</td>
<td>Final Exam</td>
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**Other Policies:**

**Expectations**

Professional behavior is expected of all students. This includes preparation for classes, on-time attendance at classes, attendance at all group sessions and appropriate participation in the form of attentiveness and contributions to the course. Respect for the academic process is the major guiding principle for professional behavior and extends to all communications, including e-mail.

**Attendance/Participation**

Class participation is important and shall be explicitly rewarded (10% of the total grade). Students’ individual class participation grade shall be based largely on the quality of their contribution to the discussion; students are not expected to "compete for air time" by engaging in minor discussions. This being said, students should not refrain from asking clarifying questions or from demanding back-up data/logic to assertions made.

Attendance is mandatory and travel does not constitute an excused absence from class, nor do visits from family and friends. As per academic policy, a maximum of three hours’ absence (not 3 lessons) is allowed. Thereafter, additional absences will be excused only on proven medical grounds; otherwise, they will result in a lower final grade. Specifically, each additional, unexcused absence will lower a student’s
grade by one notch: e.g., with four absences an A- will be lowered to B+, with five absences a B, and with six absences a B-. More than 8 absences will result in an automatic failure of the course. We also demand punctuality.

Course Policies
For e-mail communications, students must use their Arcadia University e-mail account. Students are responsible for any information provided by e-mail or through Intranet postings.

Plagiarism
Representation of another’s work or ideas as one’s own in academic submissions is plagiarism, and is cause for disciplinary action. Cheating is actual or attempted use of resources not authorized by the instructor(s) for academic submissions. Students caught cheating in this course will receive a failing grade. Fabrication is the falsification or creation of data, research or resources to support academic submissions, and cause for disciplinary action.

Late or Missed Assignments
Will not be accepted for grading.

Students with Disabilities
Persons with documented disabilities requiring accommodations to meet the expectations of this course should disclose this information while enrolling into the program, and before leaving the United States so that appropriate arrangements can be made.

Prerequisites:
Satisfactory completion of at least one undergraduate semester course in economics. For group cases, proficiency with Excel is critical. Knowledge of mathematical statistics is also important – it is hard to talk about risk without referring to standard deviations, or to talk about cross-hedging without computing correlations.