

Asian Institute of Technology
School of Management
Professional Masters in Banking and Finance (PMBF)

International Finance

Course Objective:

Internationalization of financial markets has been the consequence of, among other factors, globalization of trade and evolution of information technology. An increasing number of companies from emerging markets are accessing both investment and financing opportunities globally. Professionals building a career in banking need to understand the risks and rewards of such international financing and investment decisions, either of their clients or of the banks themselves, which can impact their banks.

Learning Outcomes:

It is expected that this course will enable students to explain (during and at the end of this course):

1. Understand the role of money in a modern economy
2. Understand the interaction between financial markets and the real economy
3. Understand the structure and functioning of the international monetary system and of foreign exchange markets
4. Be familiar with the most important concepts of international economics
5. Be familiar with special issues and problems arising from the financial crisis

Pre-requisite(s): None

Course Outline:

I. Currency Rates and Corporate Finance

1. Exchange Rate Regimes
2. Determinants of Exchange Rates
3. Managing Exchange Rate Risks

II. International Financial Markets

1. Cost of Capital and International Financial Markets
2. International Equity Markets
3. International Bond Markets
4. International Banking

III. International Investments

1. Capital Budgeting in an International Context
2. Cross Border Mergers and Acquisitions
3. International Portfolio Investments
4. Foreign Direct Investments
5. Managing International Investment Risks

Learning Resources:

Textbook(s):

Eiteman, D. K., Stonehill, A. I., and Moffett, M.H.:
Multinational Business Finance, Upper Saddle River, NJ, Pearson (13th Edition, International Edition), 2013.

Reference Books:

Desai, M.:

International finance: A case book, Hoboken, NJ, John Wiley and Sons, 2007

Sercu, P.:

International finance: Theory into practice, Princeton, NJ, Princeton University Press, 2009

Kindleberger, C.P., and Aliber, R.:

Manias, panic, and crashes: A history of financial crises, Basingstoke, Palgrave Macmillan (5th Edition), 2005.

Journals and Magazines:

Journal of Economic Studies
Journal of Applied Corporate Finance
Managerial Finance
Pacific Basin Journal of Finance
Harvard Business Review

Teaching and Learning Methods: lectures, classroom exercises, and presentations, and home assignments.

Time Distribution and Study Load: Specify the number of hours for lectures, tutorials/exercises, laboratory, case study, fieldwork, home study, etc. For every one-hour lecture, students are expected to spend at least three hours of self-study.

Lecture:	30 hours
Tutorials/Exercises:	35 hours
Case study:	15 hours
Home study:	100 hours

Evaluation Scheme:

The final grade will be computed from the following constituent parts:

Mid-term exam:	30%
Final exam:	40%
Assignments:	30%

Open/closed-book examination is used for both mid-term and final exams.

Grading system

Grade	Definition	Grade Points
A	<i>Excellent.</i> Thorough knowledge and mastery of concepts and/or techniques together with a high degree of skill and/or great originality in satisfying the requirements of a piece of work or course.	4.00
B+	<i>Very Good.</i> Thorough knowledge and mastery of concepts and/or techniques together with a fairly high degree of skill in the use of those concepts and techniques in satisfying the requirements of a piece of work or course.	3.50
B	<i>Good.</i> Good level of knowledge or mastery of concepts and/or techniques with a considerable skill in using them in satisfying the requirements of a piece of work or course.	3.00
C+	<i>Near Competent.</i> Level of knowledge or mastery of concepts and/or techniques requires more efforts to satisfy the requirements of a piece of work or course.	2.50
C	<i>Deficient.</i> Level of knowledge or mastery of concepts and/or techniques requires intensive efforts to satisfy the requirements of a piece of work or course.	2.00
D	<i>Highly Deficient.</i> Knowledge or mastery of concepts and /or techniques and understanding of the subject matter unacceptably low.	1.00
F	<i>Failing.</i> Very poor with very limited knowledge or limited mastery and understanding of concepts and/or techniques; comprehension of	0



	the subject matter is very limited.	
I	<i>Incomplete.</i> Course may be completed at a later time without prejudice	-

Instructor(s): Faculty/ Visiting Faculty/ Adjunct Faculty of School of Management