

Syllabus
International Finance
FALL 2016

Department: Finance

Level: Master, 2 year

Language of instruction: English

Period: Module 1-2

Instructor: Dr. Madina Karamysheva, email: madinakaramysheva@hse.ru

Course Description:

Integration and globalisation of the modern world require a deep understanding of international finance. This course focuses on explanation of up-to-date theories of international finance and on its practical real world applications. Effective corporate decision making requires a deep understanding of the international financial markets, in particular this course will cover foreign exchange markets and world capital markets. Moreover, hedging strategies and risk management are necessary for effective financial management. This course also covers asset and liability management as well as international corporate governance and control.

Course Organization:

The course is mostly based on lectures with several research paper and case discussions. The required reading assignment for each session consists of lecture notes, relevant chapters of the book and/or one journal article. Students are expected to have carefully read required reading and be prepared to summarize and discuss key insights.

Course Material:

- Required: Lecture notes in pdf format
- Required Book: Madura, Jeff. International financial management. Cengage Learning, 12 ed., 2016..
- Required: Journal articles TBD (marked by RR - required reading)
- Optional Books:
 - Sercu, Piet. International finance: Theory into practice. Princeton University Press, 2009.
 - Bekaert, Geert, and Robert J. Hodrick. International financial management. Upper Saddle River, New Jersey, NJ: Pearson Prentice Hall, 2 ed., 2011.
 - Krugman, Paul R., Maurice Obstfeld, and Marc J. Melitzrugman, International Economics: Theory and Policy, Prentice Hall, 9 ed, 2011
- Optional: Journal articles TBD (marked by SR - suggested reading)

Grading:

There will be assignments, a group project and final exam. They will count toward the grade as follows.

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| Assignments | 35% |
| Group Project | 15% |
| Final Exam | 50%. |

Course Content:

1. Multinational Financial Management and Globalized World
2. International Financial Markets
 - (a) Balance of Payments
 - (b) Foreign Exchange Market (Market players; Spot rates, Forward rates and foreign exchange swaps; A model of foreign exchange markets: interest parity; Real monetary assets, interest rates and exchange rates; Foreign exchange intervention)
 - (c) Financial Capital Markets (International credit and money markets; International bond market, International equity markets)
3. Multinational Capital Structure and Cost of Capital
4. Globalization, Market Integration and Systemic Risk
5. Risk Management and Hedging (Forecasting exchange rates, Measuring exposure to exchange rate fluctuations, Foreign currency futures and options, Managing transaction exposure, Managing economic and translation exposure, Country risk analysis)
6. Asset and Liability Management
 - (a) Foreign Direct Investment
 - (b) Long-Term Financing
 - (c) Short-Term Financing
 - (d) Financing International Trade
7. International Corporate Governance and Control