



Universidad  
de Alcalá



LOYOLA  
COLLEGE IN MARYLAND



CIFF

Centro Internacional  
de Formación Financiera

# Course Guide

## International Finance

No final exam in may, no extraordinary exam in june  
One unexcused absence allowed

Degree in *Economía, Economía y  
Negocios Internacionales,  
Administración y Dirección de  
Empresas y Contabilidad y Finanzas*

(elective – optional subject)

Academic Year 2019/2020  
Year 3-4 – Term 2

# The term begins in January

## Course Guide

Course Name:	<b>International Finance</b>
Code	<b>361032</b>
Degree:	Economía y Negocios Internacionales, Economía, Administración y Dirección de Empresas y Contabilidad y Finanzas
Department Area	Economía y Dirección de Empresas Organización de Empresas
Type:	Elective - optional subject
ECTS Credits:	6
<b>Course and term</b>	3rd or 4th – 2nd term
Teacher :	Xavier Cottini: <a href="mailto:xcottini@gmail.com">xcottini@gmail.com</a>
Faculty responsible	M <sup>a</sup> Teresa del Val: <a href="mailto:mteresa.val@uah.es">mteresa.val@uah.es</a>
Class:	10.30-12:00 Tuesdays and Thursdays
Office Hours:	By appointment
Language:	English

## 1. OVERVIEW

This course provides students with a fundamental understanding of the international dimensions of corporate finance. The concepts, approaches, and technology to support financial management in a multinational business environment will be discussed. Throughout the semester, focus will be on the European perspective with special emphasis on the specifics for Spain.

Students at Alcalá University will have the chance to share their studies with American alumni.

**Prerequisites:** Principles of Finance (or equivalent)

## 2. SKILLS

### General skills:

<b>skill 1:</b>	Ability to analyze and synthesize the basic issues in International Finance in today's society.
<b>skill 2:</b>	Obtain practical and first-hand experience of the identification and interpretation of international finance problems.
<b>skill 3:</b>	Read and interpret articles, complete exercises and solve problems related to technical and contemporary International Finance topics.
<b>skill 4:</b>	Ability to gather and select information relevant to each specific area of study in the field.
<b>skill 5:</b>	Identify relevant sources of information and gather, analyze and process the financial data they provide.

### Specific skills:

<b>skill 1:</b>	Understand the Balance of Payments
<b>skill 2:</b>	Know about Currencies and Foreign Exchange Rates
<b>skill 3:</b>	Learn the basics about Derivatives
<b>skill 4:</b>	Analyze the IBEX 35 and the Madrid Stock Exchange
<b>Skill 5:</b>	Go over the mechanics of the International Bonds markets

### 3. COURSE CONTENT

This course will cover the following topics:

- \* Introduction to International Finance
- \* The International Monetary System and the impact of the Euro
- \* The Balance of Payments and the Specifics for Spain
- \* The Market for Foreign Exchange
- \* International Parity Relationships and Forecasting Foreign Exchange Rates
- \* Futures and Options on Foreign Exchange
- \* Foreign Exchange Exposure and Management
- \* International Banking and Money Market – How do Spanish Banks do Business
- \* International Bond Market and “Bonos del Estado”
- \* International Equity Markets and the Madrid Stock Exchange
- \* Spain and the Crisis (1): The Stock Exchange’s perspective
- \* Spain and the Crisis (2): Impact on Spanish Companies’ Financial Statements
- \* Spain and the Crisis (3): The Banking System and the Credit Crunch

#### Course Schedule:

The attached day-to-day schedule clearly defines student expectations for each class meeting. It is the students’ responsibility to check the schedule on a regular basis to ensure that they are up to speed with the material.

The syllabus sets forth course objectives and the best estimate of what topics should be covered during the term. In order to tailor the course to the specific needs of the students, ***the program might be slightly modified during the semester***; it is therefore possible that not all of the material will be covered or that additional material may be assigned

**TOPICS:**

Class 1: Presentation of the course's objectives

Class 2: Introduction to International Finance

Class 3: International Monetary System

Class 4: From the Peseta to the Euro

Class 5: The Balance of Payments

Class 6: Evolution of the Spanish Balance of Payments

Class 7: The Market for Foreign Exchange (1)

Class 8: The Market for Foreign Exchange (2)

Class 9: International Parity Relationships and Forecasting Foreign Exchange Rates (1)

Class 10: International Parity Relationships and Forecasting Foreign Exchange Rates (2)

Class 11: Futures and Options on Foreign Exchange (1)

Class 12: Futures and Options on Foreign Exchange (2)

Class 13: Futures and Options on Foreign Exchange (3)

Class 14: **EXAM 1**

Class 15: Foreign Exchange Exposure and Management (1)

Class 16: Foreign Exchange Exposure and Management (2)

Class 17: International Banking and Money Market (1)

Class 18: International Banking and Money Market (2)

Class 19: How do Spanish Banks do Business

Class 20: International Bond Market (1)

Class 21: International Bond Market (2)

Class 22: Bonos del Estado

Class 23: International Equity Markets

Class 24: The Madrid Stock Exchange

Class 25: Spain and the Crisis (1): The Stock Exchange's perspective

Class 26: Spain and the Crisis (2): Impact on Spanish Companies' Financial Statements

Class 27: Spain and the Crisis (3): The Banking System and the Credit Crunch

Classes 28 & 29: **PRESENTATIONS & EXAM 2**

## 4. METHODOLOGICAL STRATEGIES

### 4.1. Distribution of credits

Number of hours: 150

Number of class hours: 45

Number of independent study hours: 105

### 4.2. Methodological strategies, teaching materials and resources

<p><b>Project</b></p>	<p>Student will be divided into several teams. Each team will be required to prepare a Country Investment Analysis and present it to the class at the end of the semester. More details will be provided during the first week of classes.</p>
<p><b>Exams</b></p>	<ul style="list-style-type: none"> <li>• . Two exams will be given throughout the term.</li> </ul>
<p><b>Course policies</b></p>	<ul style="list-style-type: none"> <li>• <b><u>Attendance and punctuality</u></b> Class attendance is considered critical to understanding and applying the knowledge and skills taught and, therefore, essential to attain the academic objectives of this course. Consequently, students are expected to attend all classes. Being absent for a quiz or an exam will result in a grade of zero for that particular quiz or exam. Coming to class more than ten minutes late could be considered an absence and students might not be allowed in. Because special circumstances occasionally arise, students who miss class for a reasonable cause will be excused as long as they provide proper documentation/justification to the professor, in advance when possible. However, a <b>maximum</b> of <b>three</b> (3) such absences are acceptable. In any case, it is the student's responsibility to catch up with the material covered during the class missed. <b>Excessive absences</b> will drastically affect the student's grade and might result in a "Fail" grade.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b><u>Academy Honesty Policy</u></b> Academy dishonesty is viewed as one of the most serious offenses that a student can commit while in college and imposes appropriate punitive sanctions on violators. While this is not an all-inclusive list, this will help the student understand some of the things the instructor will not tolerate: cheating, fabrication, plagiarism, unauthorized collaboration, participation in academically dishonest activities and facilitating academic dishonesty. Students are expected to know and follow the statement of academy honesty and integrity of the School. Any violation will be pursued according to the academic policy of the University.</li> <li>• <b><u>Cell Phones and other Electronic Devices</u></b> The use of cell phones and other electronic devices will not be allowed during the class, unless it is required for a given activity assigned by the professor. Students violating this policy will be asked to leave the classroom.</li> </ul>
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## 5. ASSESSMENT: Procedures, assessment and grading criteria

### Class Participation

Attendance, Preparedness, and Participation are **crucial** to the success of this course. Students are expected to listen proactively and participate in class discussions.

<b><u>EVALUATION</u></b>	<b><u>%</u></b>
Class Participation	15
Project	25
Exam 1	30
Exam 2	30
<b>TOTAL</b>	<b><u>100</u></b>

## 6. REQUIRED READING

Cheol Eun, Bruce G. Resnick.  
**International Financial Management** 6th edition.  
McGraw Hill (ISBN 978-0-07-803465-7)