Course name: International Finance
Course number: (GI) BUSI 3001 CTSA
Programs offering course: Open Campus
Open Campus Track: Business
Language of instruction: English
U.S. semester credits: 3
Contact hours: 45
Term: Spring 2020

Course Description
This course provides students with an overview of the dynamics of the global financial and international monetary systems. Students develop knowledge of the fundamental concepts needed to understand foreign direct investment, financial flows, international trade and investment deals. As political risk and economic exposure to global events have become more immediate, special attention will be given to the 2007-2012 world banking crisis, the role of central banks in the stabilization of national economies, national debts, and the specific economic challenges to which individual countries have been exposed in varying ways. Alternative views and policy measures to help struggling economies overcome the economic and financial crisis – like contracting (or expanding) government spending – will be assessed and critically analyzed.

Learning Objectives
By the end of the course, students will be able to:

- Critically analyze financial concepts and their application to the very intricate web of international economic and financial transactions.
- Discuss the determinants of international financial transactions and their consequences in the present-world economic and financial order.
- Explain the decisions taken by various agents (governments, multinational corporations, public and private banks) and how these interact in the international financial markets.
- Read and analyze economic and market indicators for a better understanding of the world panorama of economics and finance.
- Apply these indicators and criteria to financial decisions taken within multinational corporations for effective governance.
Course Prerequisites

Previous coursework in microeconomics, macroeconomics and international economics (which should include the basics of international trade) are course prerequisites. This course is not suitable for students with no previous economics classes.

Methods of Instruction

The course will be highly interactive between the instructor and the students. Students are expected to do the required readings before class so they can discuss the material among themselves and with the instructor. Power Point presentations and short video clips will be used by the instructor to introduce the material required. Students are expected to prepare questions based on their reading and interact thoughtfully in class, during business visits, and with guest speakers. The list of online references at the end of the syllabus includes web sites on financial information that should be consulted daily during the course, as finance is a dynamic and changing discipline that needs constant updating. Therefore, students will be responsible for checking selected web sites daily for in-class discussions.

Assessment and Final Grade

- Written Assignments: 30%
- In-Class Presentation: 15%
- Midterm Exam: 15%
- Final Project: 20%
- Class Participation: 20%

Course Requirements

Written Assignments

Students are expected to write three summary papers, due on the last day of class in Weeks 2, 4, and 6. These should be 750 words in length (font 12) and should include brief summaries of visits to local companies that are international in scope. An example would be a visit with the local branch manager of a large, internationally active bank to understand the financial management styles of the country of study and how they differ with US styles. Papers should be written in APA citation style to reference your resources.
In-Class Presentation
Students will organize in teams of 2 to 4 people. Each team will choose a topic on international finance, which the instructor will give to the students on the first day of class, as case studies. The presentation should be in PowerPoint format and each group participant will present a part of the presentation, although all members should be familiar with the whole topic. The presentation should not last more than 15 minutes and will be followed by a Q&A session. Of utmost importance is to give examples and illustrate them with real-life financial examples.

MidTerm Exam
A mid-term essay exam, comprising of two essay questions, will be administered at the end of Week 3. The materials in the test will include information from lectures, case studies, guest speakers, business visits, readings, video clips, etc. The test will be open book, so students are asked to bring all of their relevant notes and materials on the day of the test. Students will complete this exam through Canvas and must have their laptops fully functional for the exam.

Final Project
Students will submit a final project at the end of this course. The project will

Participation
Participation is valued as meaningful contribution in the digital and tangible classroom, utilizing the resources and materials presented to students as part of the course. Meaningful contribution requires students to be prepared in advance of each class session and to have regular attendance. Students must clearly demonstrate they have engaged with the materials as directed, for example, through classroom discussions, online discussion boards, peer-to-peer feedback (after presentations), interaction with guest speakers, and attentiveness on co-curricular and outside-of-classroom activities. Additionally, as part of the participation grade, students will be required to write and ask 3 – 5 questions per guest speakers and business visit. These questions must be submitted via Canvas prior to class.

Attendance Policy
Regular class attendance is required throughout the program, and all unexcused absences will result in a lower participation grade for any affected CIEE course. Due to the intensive schedules for Open Campus and Short Term programs, unexcused absences that constitute more than 10% of the total course will result in a written warning. Students who transfer from one CIEE class to another during the add/drop period will not be considered absent from the first session(s) of their new class, provided they were marked present for the first session(s) of their original class. Otherwise, the absence(s) from the original class carry over to the new class and count against the grade in that class.
For CIEE classes, excessively tardy (over 15 minutes late) students must be marked absent. Attendance policies also apply to any required co-curricular class excursion or event, as well as to Internship, Service Learning, or required field placement. Students who miss class for personal travel, including unforeseen delays that arise as a result of personal travel, will be marked as absent and unexcused. No make-up or re-sit opportunity will be provided. Attendance policies also apply to any required class excursion, with the exception that some class excursions cannot accommodate any tardiness, and students risk being marked as absent if they fail to be present at the appointed time.

Unexcused absences will lead to the following penalties:

<table>
<thead>
<tr>
<th>Percentage of Total Course Hours Missed</th>
<th>Equivalent Number of Open Campus Semester classes</th>
<th>Minimum Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 10%</td>
<td>1 content classes, or up to 2 language classes</td>
<td>Participation graded as per class requirements</td>
</tr>
<tr>
<td>10 – 20%</td>
<td>2 content classes, or 3-4 language classes</td>
<td>Participation graded as per class requirements; written warning</td>
</tr>
<tr>
<td>More than 20%</td>
<td>3 content classes, or 5 language classes</td>
<td>Automatic course failure, and possible expulsion</td>
</tr>
</tbody>
</table>

**Weekly Schedule**

NOTE: This schedule is subject to change at the discretion of the instructor to take advantage of current experiential learning opportunities.
Week 1 Orientation Week

Class 1:1 Introduction to the course

The opening lecture will discuss the economic history of Brazil in the last 25 years and how its relationship with International Financial Institutions has changed. Students will review international finance terminology.

Class 1:2 An Introduction to international finance

This lecture will discuss the 2008 financial crisis and its’ impact on Brazil, issues of monetary and fiscal policies in Brazil. Students will discuss the impact of Brazil’s current economic and political crisis. A lecture will be given by a guest speaker, a manager from a large bank or consulting firm, on the subject of Foreign Direct Investment in Brazil

Readings:

Madura (2010) – To be assigned

Online Readings/Resources:

http://www.economia.puc-rio.br/PDF/td504.pdf


https://www.cairn.info/revue-journal-of-innovation-economics-2010-2-page-77.htm
Response Paper and Discussion:

Reactions to guest speaker and required readings and video clips. Submit via Canvas prior to discussion.

Video clips:

https://www.youtube.com/watch?v=sZD0E8dNBJw


https://www.youtube.com/watch?v=co1cwVXhHQc

Week 2
Class 2:1 **Foreign Exchange Markets**
During this class students will learn the fundamentals of foreign exchange markets: from the record of the economic transactions between the residents of the country and the rest of the world in a particular period (the balance of payments), to the most critical notions about financial assets and currencies. Students will learn more about the Brazilian economic, political, and social context and relate it to the stability or instability of the Brazilian markets. Students will also learn the basic types of FX transactions – spot trades, forward contracts, futures, options, currency swaps, and other types of derivatives.

Online Readings/Resources:

http://www.coface.com/Economic-Studies-and-Country-Risks/Brazil

http://businessjargons.com/types-of-foreign-exchange-transactions.html


https://www.oanda.com/forex-trading/learn/intro-to-currency-trading/fundamental-analysis/


Readings: Krugman, Obstfeld and Melitz (2011) – To be assigned

Case Study Discussion:


Submit via Canvas prior to discussion.

Movie and video clips:

https://www.youtube.com/watch?v=t0ydm2K8m_8

https://www.youtube.com/watch?v=ylQgeyKV-QM

Class 2:2 Visit to import/export section of Brazilian Development Bank (BNDES)

Students will continue to analyse foreign exchange markets by visiting the import/export office of the Brazilian Development Bank. Students will analyze and discuss the balance of payments between Brazil and the United States; Trade in and out of Brazilian and how various FX financial transactions facilitate the flow of money as well as goods and services. Particular attention will be paid to FX and its relationship to commodities, such as oil, gas, electricity, agriculture products, and the mining industry.
Response Paper and Discussion:

Reactions to business visit and required readings and video clips. Submit via Canvas prior to discussion.

Assignment due: Written Assignment I – Summary Paper

Week 3
Class 3:1 International Capital Markets

This lecture will focus on International capital markets. Topics include how equities, bonds, and portfolio investments are traded in the international environment, the emerging markets (China, India, Russia, Brazil, South Africa) and their impact on the capital markets. Students will watch a video clip discussing market selection and internationalization. Students will discuss a case study paper on Brazil’s financial stability and monetary policy.

Case Study Discussion:


Movie and video clip:

https://www.youtube.com/watch?v=D8-PkFgw2Yk

Online Readings/Resources:


https://www.euromoney.com/article/b12klb1s9g8pm2/brazil-special-focus


Readings: Madura (2010), Krugman, Obstfeld and Melitz (2011) – To be assigned

Class 3:2 Visit to Brazilian private equity firm with international ties

Students will visit a private equity firm where they will be presented the main sources and targeted industries for Foreign Direct Investment in Brazil, and discuss forecast for Brazil’s economic and political future from an investor’s point of view.

Midterm exam.

Response Paper and Discussion:

Reactions to guest speaker and required readings and video clip. Submit via Canvas prior to discussion.

Week 4
Class 4:1 Financial Risk Management

This lecture will focus on financial risk management. Students will discuss hedging strategies against risk exposure, the attempts at forecasting exchange rates and Forex in the context of international trade, and managing monetary and financial exchanges. Students will watch a videoclip explaining the operations of the foreign exchange market. Students will discuss a case study paper on the financial risks of investing in brazilian telecom companies.

Case Study Discussion:


Submit via Canvas prior to discussion.

Video clip:

https://www.youtube.com/watch?v=UnVIEX1P2IE
Online Readings/Resources:


https://www.focus-economics.com/country-indicator/brazil/exchange-rate

https://www.wto.org/english/res_e/reser_e/ersd201117_e.pdf


Readings: Madura (2010) and Grath (2013) – To be assigned

In-Class Case Study Presentation

Class 4:2 Visit to a large FX trading desk/company

Students will visit a FX trading company and be given an overview of FX strategies at company being visited and how they are used to manage risk and currencies flows in and out of Brazil.

Response Paper and Discussion:

Reactions to guest speaker, required readings, and video clip. Submit via Canvas prior to discussion.

Assignment due: Written Assignment II – Summary Paper

Week 5

Class 5:1 Decision-making Strategies in International Finance

This week students will become acquainted with the strategic decisions regarding short and long term investments, both in terms of portfolio as well as foreign direct investments. An international overview of the central banks will help students to identify the differences among countries and to understand why those differences exist. Students will read and discuss articles examining the brazilian investor’s market.
Case Study Discussion:


or


Online Readings/Resources:

http://www.reuters.com/article/us-column-wasik-brazil-idUSKBN0ER1S020140616


https://www.innovationpolicyplatform.org/content/brazil

https://www.fastcompany.com/1738946/brazils-10-most-innovative-companies

https://www.export.gov/article?id=Brazil-openness-to-foreign-investment


Readings: Grath (2013) – To be assigned
Class 5:2  Business Visit: Visit to Branch of Brazilian Central Bank

Students will visit the Brazilian Central Bank where they will attend a lecture that will discuss the monetary policies of the Brazilian Central Bank that affect Brazil’s FX rate, credit rating, capital in and out flows, interest rates, inflation, appropriations for fiscal expenditures, and other key economic indicators and monetary policy drivers.

Response Paper and Discussion:

Reactions to guest speaker and required readings and video clip. Submit via Canvas prior to discussion.

Assignment due: Written Assignment III – Summary Paper

Week 6
Class 6:1  Conclusions and Review: An Ethical Viewpoint

Students will conclude their session with a review of the course and a discussion on the ethics of financial investment, financial regulations since the 2008 crisis, and the current state of south american financial leadership. Students will hear from a guest speaker, a journalist specializing in banking regulations to discus the regulations designed to stabilize the brazilian economy and promote sustainable growth, and the steps being taken to better integrate financial institutions throughout Latin America.

Response Paper and Discussion:

Reactions to guest speaker and required readings. Submit via Canvas prior to discussion.

Online Readings/Resources:


Readings: Madura (2010)
Readings


Online Resources

http://www.eulerhermes.com/economic-research/country-reports/Pages/Brazil.aspx
https://www.ft.com/content/2f810894-76c8-11e5-8564-b4bb9a521c63

https://www.ft.com/content/7e44152a-cabf-11e5-84df-70594b99fc47

http://www.economia.puc-rio.br/PDF/td504.pdf


https://www.cairn.info/revue-journal-of-innovation-economics-2010-2-page-77.htm
https://www.youtube.com/watch?v=sZD0E8dNBJw


https://www.youtube.com/watch?v=co1cwVXhHQc
http://www.coface.com/Economic-Studies-and-Country-Risks/Brazil

http://businessjargons.com/types-of-foreign-exchange-transactions.html


https://www.oanda.com/forex-trading/learn/intro-to-currency-trading/fundamental-analysis/


https://www.youtube.com/watch?v=t0ydm2K8m_8

https://www.youtube.com/watch?v=YIqgeyKV-QM

Case Study Discussion:


Movie and video clip:
https://www.youtube.com/watch?v=D8-PkFgw2Yk


https://www.euromoney.com/article/b12kib1s9q8pm2/brazil-special-focus


https://www.youtube.com/watch?v=UnVIEX1P2IE


https://www.focus-economics.com/country-indicator/brazil/exchange-rate

https://www.wto.org/english/res_e/reser_e/ersd201117_e.pdf


http://www.reuters.com/article/us-column-wasik-brazil-idUSKBN0ER1S020140616


https://www.innovationpolicyplatform.org/content/brazil

https://www.fastcompany.com/1738946/brazils-10-most-innovative-companies

https://www.export.gov/article?id=Brazil-openness-to-foreign-investment


**Financial Reference Sites**


https://www.ft.com/stream/113954de-62a6-3a6e-8f27-15a6237474e5


https://finance.yahoo.com/

http://www.marketwatch.com/

https://www.cnbc.com/world-markets/

https://www.bloomberg.com/