

## **FIN3711: INTERNATIONAL FINANCIAL MANAGEMENT**

AY 2023/2024 Semester 1

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### **OBJECTIVE**

Financial markets are closely connected as part of globalization and international trade post WW2. The objective of this course is to provide and equip you with a solid knowledge and skills in the financial activities and transactions in the international financial markets. The purposes, roles and relationship of government, financial institutions, regulators, and investors in global financial markets. Concepts of specialization and diversification are useful and good to know when you apply it to global investments, i.e., decisions made by firms and investors, and policies implemented by government, in terms of risk and return. Foreign exchange rates, interest rates, hedging, international or cross-listing and mergers and acquisitions, etc., are familiar finance topics in this course. Three problems in finance, i.e., information asymmetric, adverse selection and moral hazard are higher or lower in overseas financing and investing. Finally, sustainability and corporate social responsibility in international financial management will be discussed. Study area of international financial management is particularly relevant for keeping pace with changes in the financial landscape.

### **BACKGROUND READING**

Background readings each week are assigned from a variety of sources and available on LumiNUS. In addition, you might find one of the following textbooks useful:

1. *Eiteman, D. K., Stonehill, A. I., Moffett, M. H., (2019), Multinational Business Finance, 15<sup>th</sup> Edition, Pearson.*
2. *Eun, C. and Resnick, B., (2021), International Financial Management, 9th Edition, McGraw Hill.*
3. *Bekaert, G. and Hodrick, R., (2014), International Financial Management: Pearson New International Edition, 2nd Edition, Pearson.*

## ASSESSMENTS (Tentative – Subject to Change)

Component	Marks	Individual/Group
Class participation	15	Individual
Assignment – 10 Nov 2023	25	Group
Project – 17 Nov 2023	30	Group
Final Quiz (in class) – 15 Nov 2023	30	Individual
<b>Total</b>	<b>100</b>	

### CLASS PARTICIPATION (15%)

Active participation and discussion are strongly encouraged in class. Online discussion topics on international finance will occasionally be posted on LumiNUS. Please feel free to post your questions, information, news, and analysis supporting it with references and links, on the course site. Where the links are long, please provide a summary or synopsis as part of your analysis.

### ASSIGNMENT (25%)

This assignment is a group basis. Preferred group size is maximum Five (5) members, exceptions to this point will have to be pre-approved by the instructor. Groups are same for both case and project. More details will be announced in first seminar.

The aim of this assessment is to research and analyse the Balance of Payment for ONE country from 2016 – 2022 covering pre- and post-COVID-19 periods.

#### Instructions:

- Construct the balance of payment table in a comparable format to Exhibit 3.1, Eun and Resnick p.67, and interpret and analyse the numerical data using charts or tables. Country will be assigned to each group. Relevant research papers will be posted on LumiNUS for reference.
- You may consult International Financial Statistics (IFS) published by IMF or search for useful websites such as Economic Data Series of the St Louis FED, Bloomberg, and/or Central Banks websites for the relevant data. Databases subscribed by NUS Library and Business School can be used.
- Deadline of submission is 10 November 2023 (Friday), 11.59PM. Submit to the dropbox on LumiNUS.

### PROJECT (30%)

Each group will work on a research project of current issues in international finance. Topics will be determined and announced in class and on LumiNUS in due course. Each group needs to submit a written report and presentation slides. The final presentation for group project is scheduled in Week 12 and/or 13. To be confirmed. Deadline of submission is 17 November 2023 (Friday), 11.59PM.

### CONTACT

You may contact me by email ([tythong@nus.edu.sg](mailto:tythong@nus.edu.sg)). I will reply you expeditiously within 3 working days.

If you/your group would like to meet up with me face-to-face, we could arrange a meeting on campus before or after weekly seminar.

**COMPUTER and/or CALCULATOR**

Laptop, iPad, financial calculator, or online financial apps are useful and convenient tools for this course, but not compulsory.

**SCHEDULE (Tentative – Subject to Change when necessary)**

Week	Date	Topics Session	Case Studies/Assignments (Eun & Resnick)
1	16 Aug	Introduction to International Financial Management Specialisation v. Diversification	Chapter 1 Class activities
2	23 Aug	Pricing of Short- and Long-term Securities (Revisit) Balance of payments	Chapter 3
3	30 Aug	Evolving of International Monetary System Foreign Exchange Market What Next? USD? Cryptocurrencies?	Chapter 2 Chapter 5
4	6 Sep	International Parity Conditions Currencies Crisis	Chapter 6 Chapter 2
5	13 Sep	Forex Volatility Hedging Forex Risk Forex Forward and Futures	Chapter 8 Chapter 5, 7 & 8
6	20 Sep	Covered Interest Rate Parity Synthetic Forward Rates	Chapter 6
	23 Sep – 1 Oct	<b>Recess Week</b>	
7	4 Oct	Forex Options	Chapter 7 & 8
8	11 Oct	Currency Swaps	Chapter 14
9	18 Oct	International Financing: Overseas Listing International Investing: Cross-border M&As	Chapter 16
10	25 Oct	Current Issues in International Finance: Sustainability, CSR and ESG	Research papers
11	1 Nov	Project Presentation	
12	8 Nov	Project Presentation Revision	Report/PPT Submission on 17 Nov 2023
13	15 Nov	<b>Final Quiz</b>	

**READING MATERIAL**

Weekly reading material and assignments, if any, will be uploaded on LumiNUS.

## **ACADEMIC HONESTY & PLAGIARISM**

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.

Additional guidance is available at:

<http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism:

<http://emodule.nus.edu.sg/ac/>