



FIN 3711 International Financial Management
Semester 1, AY2026 – 2027

Contact Information

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Class Time: Mondays, 830 am – 1130 am, HSS 04-05

Consultation: By Appointment

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Course Description

This course is designed to provide students with data analysis tools and conceptual frameworks for analysing international financial markets and capital budgeting. This course will be especially helpful for a student pursuing a career in international banking, global asset management, or corporate finance in a multi-national corporation. The course covers the following topics: foreign exchange markets; models of exchange-rate determination; international investments; currency risk management; and international capital budgeting.

After introducing international financial markets, the class can be split into two parts. First, we take the role of an investment manager considering investing in different countries. Second, we take the perspective of a CFO deciding to finance new ventures in different countries.

By the end of the course, students are expected to be able to:

- Derive the impact of monetary and fiscal policy on the international goods and financial markets
- Construct cogent arguments and predictions based on a short-run open-economy Keynesian model
- Understand the relationship between interest rates and exchange rates
- Identify different relevant sources of risk in an international investment portfolio
- Relate a firm's international pricing decision with its financing decisions
- Calculate the cost of capital for international projects, ventures, or mergers and acquisitions

Course Format

The course will be modular and seminar-based. The seminar is designed to be engaging and students are expected to participate in discussions.

Students are also expected to keep up-to-date with current news and events in the popular press, especially pertaining to issues in international finance. *The Economist* and *Financial Times* are recommended for this.

Prerequisites and Enrollment

This course assumes familiarity in statistics (DSC2008 or equivalent) and finance (FIN2004 or equivalent). We will build upon fundamentals to explore economic models of international financial markets, building intuition for the macroeconomy along the way. If you feel unsure whether your experiences qualify, please feel free to reach out prior to registering for the course.

Analytical Tools

AI Policy. The use of AI is encouraged in this class for assignments and studying. But while it can be a powerful tool, it is important to remember that not all information obtained from AI is necessarily factual. Any information obtained from AI sources should be thoroughly checked and verified before use, and you will bear the responsibility for it.

AI is a tool, but one that you need to acknowledge using. Please include a paragraph at the end of any assignment that uses AI in a “reference”-type section, explaining what you used the AI for and what prompts you used to get the results. Failure to do so is in violation of academic honesty policies listed at the end of this syllabus.

Note that tests in this class will not permit the use of AI. Some tips on using AI:

- If you provide minimum-effort prompts, you will get low-quality results. You will need to refine your prompts in order to get good outcomes. This will take some experimentation and domain knowledge being able to evaluate what is a good outcome.
- Don't trust anything it says. If it gives you a number or fact, assume it is wrong unless you either know the answer or can check with another source. You will be responsible for any errors or omissions provided by the tool.
- Be thoughtful about when this tool is useful. Don't use it if it isn't appropriate for the case or circumstance.

Overall, using AI is a skill in itself. If you are interested to get started, here is a guide. Use cases for AI in this class may include:

- Improving your writing for assignments and project reports.
- Making study materials and sample questions for yourself based on class materials.
- Finding reference information or definitions for new unfamiliar terms (make sure to ask the AI for a citation so you can reference the primary source.)

Course Material

- a) Class Notes: Lecture notes contain necessary tools for the course. If you master these you can do well in the class. However, the lecture notes alone are not in themselves sufficient. Much of the explanations will be done in class and on the board. Bring the relevant lecture notes to class every time, but you should still take your own notes in class.
- b) Text: The text does two things. First, it provides alternative explanations of what is in notes, though often for a simpler version of the model. For some students, it seems to help to start with the text for background and then move to the lecture notes. If you feel the lectures go too fast, I encourage you to read the relevant portions of the book before class to get some background.

Second, the text covers topics that are supplementary to the material in the seminars. You are not responsible for the material in the textbook that is not covered in class; the materials covered in the lecture notes suffice. That said, you will get a more complete understanding of the course material by reading the book. Given the broad range of topics covered in this course, I also list supplementary and optional textbooks. These are for reference only and will only apply to specific portions of the class.

Textbook

No textbooks are required for this course, but you may find them helpful. You can use any textbook edition newer than what is listed here.

Krugman, Obsfeldt, and Melitz, International Economics: Theory and Policy, 10th Edition.
ISBN-13: 978-1-292-01955-0 ISBN-10: 1-292-01955-7

Supplementary (Optional) Textbooks

Corporate Finance Reference: Berk and DeMarzo. Corporate Finance: The Core. 4th Edition.
ISBN-13: 978-1-292-01955-0 ISBN-10: 1-292-01955-7

Investments Reference: Bodie, Kane, Marcus, Jain. Investments.
ISBN-13: 978-007-126228-6 ISBN-10: 007-126228-8

Macroeconomics Reference: Abel, Bernanke, and Croushore. Macroeconomics. 9th Edition.
ISBN-13: 978-0134167398 ISBN-10: 013-416739-2

R Reference: Golemund and Wickham. R for Data Science. 1st Edition.
ISBN-13: 978-1491910399 ISBN-10: 149-191039-9

Note: There is a free online-version available at <http://r4ds.had.co.nz/index.html>

Handouts

This is a paper-free course. The course website has all the course documents, including the syllabus, course schedule (Appendix A), lecture slides, and readings.

Grading

Your course grade is based on your overall performance in the class and weighted as follows:

Assignment 1	10%
Assignment 2	10%
Test 1	20%
Test 2	30%
Group Project	20%
Participation	10%
Total	100%

Submission Policy

All assignments must be submitted by the relevant due date and late submissions will be penalised. Submissions must be as a single PDF and named as your student ID number (e.g. "A1028010" or "E1082012"). If multiple files are submitted, only the PDF file will be graded. Group submissions need only be uploaded by one student in the group. Names and student IDs of all members must be in the PDF for verification.

Assignments

For this module, there will be a total of 2 assignments to be completed on an individual basis. They are designed to take less than 3 hours to complete. These will be used as practice for the tests as well as to fulfil grading requirements.

Tests

There will be two closed-book tests in the course. Tests will be administered through Exemplify and taken synchronously during class time as listed in the course schedule.

A non-graphing calculator is allowed for both tests. Only NUS approved calculators are allowed. Ensure that you know how to use your calculator before taking the tests.

There is no unexcused makeups for either test. If for a valid reason (e.g. family emergency or accident) you cannot take a test and the Undergraduate Office verifies the situation, arrangements may be made for a makeup on a case-by-case basis.

Class Participation

During seminars, questions will be raised to the class as well as questions fielded regarding any material covered. During case discussions, it is important to introduce your analysis. This might involve constructively challenging other opinions, assumptions, or analyses. It may also involve adding additional observations or institutional knowledge that offer new insight. You will benefit more from this class if you are able to expose your own viewpoints or conclusions to the critical evaluation of the class.

Class participation is an opportunity to ask questions to enhance your understanding and demonstrate your analysis of the material.

Group Project

There will be a group project that involves submitting a written report. The written report is due prior to Week 13. Groups are to be between 4-5 students. At the end of class in Week 13, each group member may submit an evaluation of other group members based on contribution.

Honour and Academic Honesty

Since students may not take tests at the same time, it is important that students do not discuss the tests until all students have completed the tests. This includes discussing the difficulty of the test. To engage in such a discussion will be a violation of the academic code. If someone begins to discuss a test with you and you have not completed the work, you are required to immediately inform them of the situation and terminate the conversation.

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/>

Artificial Intelligence (AI) tools such as ChatGPT do not require specialist knowledge to use. Many of these AI tools are commonly used in social media, for example, to create content and disguise and refine content created from programmes like ChatGPT. We understand that students will be drawn to using these AI tools, as they would for any other electronic aid.

However, to be clear, normal academic rules still apply. As noted in the Code of Student Conduct: *"The University takes a strict view of cheating in any form, deceptive fabrication, plagiarism and violation of intellectual property and copyright laws. Any student who is found to have engaged in such misconduct is subject to disciplinary action by the University."*

With respect to AI tools (e.g., ChatGPT and image generation tools), your instructor will clarify whether the use of these tools as inputs into your assignment development process is acceptable. AI is a technology that requires skill to use, and knowledge about when and how to use it. If you use ChatGPT or any other such AI tool in your work, you must provide a proper representation of how you used the tool and what prompts you used to generate output. Failure to cite its use constitutes academic misconduct.

Further, as with any information source, be aware that minimal efforts yield low quality results. You will need to refine your work and fact check the output, as you would double-check

information from any source. Further, you should be selective in how and when you use such tools instead of using it for each and every assignment you create.

To summarise:

1. Always check with your instructors on what are the permitted uses of AI tools
2. Have a discussion at the start of a course about the use of AI
3. Where permitted, acknowledge your use of AI
4. You remain responsible for the quality of your work and its appropriate representation
5. Failure to follow the above steps can lead to a concern about plagiarism (academic dishonesty)

As always, 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 entirely your own work. This is a minimum standard.

Additional guidance can be found at:

Admission Condition: <http://www.nus.edu.sg/registrar/administrative-policies-procedures/acceptance-record#NUSCodeofStudentConduct>

NUS Code of Student Conduct: <http://nus.edu.sg/osa/resources/code-of-student-conduct>

Academic Integrity Essentials: <https://libguides.nus.edu.sg/new2nus/acadintegrity#s-lib-ctab-22144949-4>

Guidelines on the Use of AI Tools For Academic Work:

<https://libguides.nus.edu.sg/new2nus/acadintegrity#s-lib-ctab-22144949-3>

Appendix A: Class Schedule

Week	Date	Topic	Due
Week 1	10 Aug 2026	National Day (Observed)	
Week 2	17 Aug 2026	Module 0: Course Overview Module 1: International Economics & Finance	
Week 3	24 Aug 2026	Module 2: Exchange Rates Module 3: Interest Rate Parity	
Week 4	31 Aug 2026	Module 4: The Carry Trade Module 5: FX Derivatives	
Week 5	7 Sep 2026	Module 6a: Exchange Rates & The Macroeconomy Module 6b: Exchange Rates & The Macroeconomy	
Week 6	14 Sep 2026	Test 1 Review	
Recess			
Week 7	28 Sep 2026	Test 1	Assignment 1
Week 8	5 Oct 2026	Module 7: International Monetary Systems & The IMF Module 8: A Manager's Perspective to International Pricing	
Week 9	12 Oct 2026	Module 9: International Real Investments Module 10: International Equity Markets	
Week 10	19 Oct 2026	Module 11: (International) Commodity Markets Module 12: International Capital Budgeting	
Week 11	26 Oct 2026	Module 13: Estimating Cost of Capital – International Test 2 Review	
Week 12	2 Nov 2026	Test 2	Assignment 2
Week 13	9 Nov 2026	DEEPAVALI	Group Project