



Shanghai Jiao Tong University

FI431 International Finance

Instructor:	Dr Lin Mi	Email:	l.mi@business.uq.edu.au
Instructor's Home Institution:	The University of Queensland	Office:	TBD
Office Hours:	TBD		
Term:	December 16, 2019- January 7, 2020	Credits:	4 units
Classroom:	TBD	Teaching Assistant(s):	TBD
Class Hours:	Monday through Friday, 160 mins per teaching day		
Discussion Sessions:	2 hours each week, conducted by teaching assistant(s)		
Total Contact Hours:	64 contact hours (1 contact hour = 45 mins, 2880 mins in total)		
Required Texts (with ISBN):	Cheol EUN and Bruce RESNICK (2018): International Financial Management, 8th edition, McGraw-Hill Education. (ISBN: 9781259717789)		
Prerequisite:	Students are expected to have a thorough knowledge of all material covered in an introductory finance course.		



Course Overview

The course extends financial decision-making to the international setting. Topics include the foreign exchange market, predicting exchange rate movements, hedging exposures with various derivative and other alternatives, the challenges of raising funds internationally and the process and documents of international trade. The course makes extensive use of case studies and there is an expectation that students will make recommendations to real life problems and justify their decisions. This is a challenging course with a significant theory content which requires lecture attendance and participation in addition to the appropriate independent study and thought to be successful.

Course Goals

After successfully completing this course you should be able to:

1. Demonstrate a knowledge of the international monetary system, and an ability to calculate and interpret values for various exchange rate problems
2. Outline and apply theories of international finance which are used by firms to forecast exchange rates
3. Explain foreign exchange exposure and compare instruments and techniques available to manage it
4. Apply theories of international finance to case studies so as to analyse, evaluate and then articulate solutions to real world problems
5. Compare costs and sources of capital for international and domestic firms

Grading Policy

Mid-semester Exam	30%
Individual Assignment	20%
Final Exam	50%



Grading Scale is as follows:

Number grade	Letter grade	GPA
90-100	A	4
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2
62-64	C-	1.7
60-61	D	1
≤ 59	F (Failure)	0



Class Schedule

Day	Lecture	Chapter
Day 1	Course Introduction and The International Monetary System	Chapters 1 & 2
Day 2	The Foreign Exchange Market	Chapter 5
Day 3	International Parity Conditions: Determinants of Exchange Rates I	Chapter 6
Day 4	Balance of Payments: Determinants of Exchange Rates II	Chapter 3
Day 5	Mid-semester Exam Review	Chapters 1, 2, 5, 6 & 3
Day 6	Mid-semester Exam	
Day 7	Foreign Currency Derivatives	Chapters 7 & 14
Day 8	Foreign Exchange Exposure I: Transaction and Translation Exposure	Chapters 8 & 10
Day 9	Foreign Exchange Exposure II: Economic (or Operating) Exposure: Porsche case study	Chapter 9
Day 10	International Portfolio Theory and Diversification	Chapter 15
Day 11	Sourcing Global Capital & Political Risk: Cost of Capital and Source	Chapters 12, 13, 16 & 17
Day 12	International Capital Budgeting	Chapters 18 & 20
Day 13	ESG factors in International Markets	
Day 14	Course Review: Brief course and exam review	Chapters 7, 14, 8, 10, 9, 15, 12, 13, 16, 17, 18 & 20
Day 15	Final Exam	