



## Shanghai Jiao Tong University

### FI431 International Finance (Postgraduate, Online)

<b>Instructor Information</b>	Jia Ren Home Institution: Shanghai University of International Business and Economics Email: j.ren@suibe.edu.cn Office Hours: Determined by Instructor		
<b>Term</b>	June 28, 2021 - July 16, 2021	<b>Credits</b>	4 units
<b>Course Delivery</b>	The class will be delivered in the format of online. Other than recorded lecture videos, the instructor will arrange 2-6 hours' real-time interactions with students per week (via discussion forum, zoom meeting, and WeChat). The workload students are expected to complete to properly pass this course is about 10-15 hours per week.		
<b>Required Texts (with ISBN)</b>	Cheol EUN and Bruce RESNICK (2018): International Financial Management, 8th edition, McGraw-Hill Education.  ISBN: 9781259717789  Krugman, P, Obstfeld. M and M. Melitz (11th Edition), International Finance: Theory and Policy, Pearson Series in Economics, Prentice Hall.  ISBN: 1292214872		
<b>Prerequisite</b>	Students are expected to have a thorough knowledge of all material covered in an introductory finance course.		



## Course Overview

In this course we will develop and study international macroeconomic frameworks that model an economy open to trade in financial assets and real goods. We will specifically aim to understand the rapidly growing financial linkages between countries, and their implications about individual economies. We will stress concepts and their application to current events. The overarching topic of the course is understanding the numerous forces that shape currency exchange rates, which are the crucial determinants of financial and trade flows between countries. Other topics of particular interests are capital flows, macroeconomic stabilization in open economies, single-currency areas, and sovereign debt crises. We will apply the analytical tools we learn to address major current issues such as Brexit, the Greek debt crisis, currency unions and the Euro more generally, the global impact of the financial crisis, the persistent trade deficits and international indebtedness (i.e. global imbalances) and more.

## Learning Outcomes

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. Have a basic knowledge of how international financial markets work.
3. Understanding of exchange rates and why currency values fluctuate.
4. Explore methods used to manage risk in the global markets.
5. Provide an in-depth understanding of the process and techniques used to make international investment decisions.



### Grading Policy

Participation	10%
Group project & Presentation	40%
Written Exam (Open Book)	50%

### Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0



### Class Schedule

Date	Lecture	Readings	Online Teaching Arrangement
Day 1	Course Introduction and The International Monetary System	Krugman Chapters 1	approximately 100 minutes pre-recorded video lectures
Day 2	The Foreign Exchange Market & Group Project Discussion	Eun Chapter 5	approximately 70 minutes pre-recorded video lectures Course interaction 30 mins
Day 3	International Parity Conditions Exchange Rates and the Foreign Exchange Market: An Asset Approach	Eun Chapter 6 Krugman Chapters 14	approximately 100 minutes pre-recorded video lectures
Day 4	National Income Accounting and the Balance of Payments	Krugman Chapters 13	approximately 100 minutes pre-recorded video lectures
Day 5	Home Work Tutorial I	Tutorial questions and supporting material	approximately 120 minutes tutorial
Day 6	Foreign Currency Derivatives I	Eun Chapters 7	approximately 100 minutes pre-recorded video lectures
Day 7	Foreign Currency Derivatives II	Eun Chapters 14	approximately 100 minutes pre-recorded video lectures
Day 8	Foreign Exchange Exposure	Eun Chapter 8&9	approximately 100 minutes pre-recorded video lectures
Day 9	Home Work Tutorial II	Tutorial questions and supporting material	approximately 120 minutes tutorial
Day 10	International Portfolio Theory and Diversification	Eun Chapter 15	approximately 100 minutes pre-recorded video lectures
Day 11	Forecasting Exchange Rates Financial Globalization: Opportunity and Crisis I	Krugman Chapters 19&20	approximately 100 minutes pre-recorded video lectures
Day 12	<b>Tutorial III</b>	tutorial questions and supporting material	approximately 120 minutes tutorial
Day 13	Group Presentation		
Day 14	Course Review, Q&A	tutorial questions and supporting materials	
Day 15	<b>Final Exam</b>		