



FI431 International Finance (Postgraduate)

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| Instructor Information | <p>Jackson Jinhong Mi Home Institution: Shanghai Maritime University Email: jhmi@shmtu.edu.cn Office Hours: Determined by Instructor</p> | | |
| Term | December 13, 2021 - January 7, 2022 | Credits | 4 units |
| Class Hours | Monday through Friday, 120 mins per teaching day | | |
| Discussion Sessions | 2.5 hours each week, conducted by teaching assistant(s) | | |
| Total Contact Hours | 66 contact hours (1 contact hour = 45 mins, 3000 mins in total) | | |
| Required Texts (with ISBN) | <p>Cheol EUN and Bruce RESNICK (2018): International Financial Management, 8th edition, McGraw-Hill Education. ISBN: 9781259717789</p> <p>Krugman, P, Obstfeld. M and M. Melitz (10th Edition), International Finance: Theory and Policy, Pearson Series in Economics, Prentice Hall. ISBN: 1292214872</p> | | |
| Prerequisite | 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

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|-------------------|-----|
| Mid-semester Exam | 30% |
| Group Project | 20% |
| Final Exam | 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 |
|--------|---|--|
| Day 1 | Course Introduction and The International Monetary System | Krugman Chapters 1 |
| Day 2 | The Foreign Exchange Market | Eun Chapter 5 |
| Day 3 | Practice session on “The International Monetary System & The Foreign Exchange Market” | Tutorial questions and supporting material |
| Day 4 | International Parity Conditions | Eun Chapter 6 |
| Day 5 | Exchange Rates and the Foreign Exchange Market: An Asset Approach | Krugman Chapters 14 |
| Day 6 | National Income Accounting and the Balance of Payments | Krugman Chapters 13 |
| Day 7 | Practice session on “Balance of Payments” | Tutorial questions and supporting material |
| Day 8 | Mid-semester Exam Review | supporting material |
| Day 9 | Mid-semester Exam | |
| Day 10 | Foreign Currency Derivatives | Eun Chapters 7 & 14 |
| Day 11 | Practice session on “Foreign Currency Derivatives” | Tutorial questions and supporting material |
| Day 12 | Foreign Exchange Exposure | Eun Chapter 8 & 9 |
| Day 13 | International Portfolio Theory and Diversification | Eun Chapter 15 |
| Day 14 | International Portfolio Theory and Diversification | Eun Chapter 15 |
| Day 15 | International Monetary Systems: An Historical Overview | Krugman Chapters 19 |
| Day 16 | Financial Globalization: Opportunity and Crisis | Krugman Chapters 20 |
| Day 17 | Group Presentation | N/A |
| Day 18 | Group Presentation | N/A |
| Day 19 | Course Review | N/A |
| Day 20 | Final Exam | |

* Fee-paying (non-exchange) program held by School of Continuing Education, SJTU.

* 此课程由上海交通大学继续教育学院开设，所提供课程不包括在上海交通大学与海外高校校级合作的学分互认范畴之内。