

Module specification

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Refer to the module guidance notes for completion of each section of the specification.

Module code	BUS6A15
Module title	International Finance
Level	6
Credit value	30
Faculty	Glyndwr University: Faculty of Social and Life Sciences Bloomsbury Institute: School of Business and Accounting
Module Leader	Dr Nnamdi Obiosa
HECoS Code	100105 (Accounting) 100107 (Finance)
Cost Code	GAMG

Programmes in which module to be offered

Programme title	Is the module core or option for this programme
BSc (Hons) Accounting & Finance	Option
BSc (Hons) Accounting & Finance [Top-up]	Option

Pre-requisites

None

Breakdown of module hours

Learning and teaching hours	44 hrs
Placement tutor support	0 hrs
Supervised learning e.g. practical classes, workshops	0 hrs
Project supervision (level 6 projects and dissertation modules only)	0 hrs
Total active learning and teaching hours	44 hrs
Placement / work based learning	0 hrs
Guided independent study	256 hrs
Module duration (total hours)	300 hrs

For office use only	
Initial approval date	8 April 2022
With effect from date	June 2022
Date and details of revision	
Version number	1

Module aims

The aim of this module is to enable you to assess the current global business environment and design appropriate international finance management strategies. It is designed to develop your understanding of multinational financial management through the interpretation, uses, and analysis of strategic financial information in the context of an understanding of the strategic reasons for the existence of multinationals. This module is very distinct to other finance modules as the issues covered in the content form the core of the financial theory that is unique to international finance. The primary objective is to provide the relevant multinational financial management strategic factors that affect the operations of international organisations. It focuses upon the practical application of international finance methods at both the strategic and operational levels. It also considers how they impact back on a multinational's broad strategy, principally by examining strategic problem-solving situations.

Module Learning Outcomes - at the end of this module, students will be able to:

1	Understand in detail how exchange rates work by engaging with the theory of exchange rate determination.
2	Critically evaluate how international derivative markets and financial instruments can be used to the benefit of MNEs.
3	Demonstrate recognition of differing perspectives and methods in the application of financial tools, models and theories of international finance in a real-world setting.
4	Be confident in communicating their understanding of the international financial system underpinning the evolving globalisation of the economy.

Assessment

Indicative Assessment Tasks:

This section outlines the type of assessment task the student will be expected to complete as part of the module. More details will be made available in the relevant academic year module handbook.

Assessment number	Learning Outcomes to be met	Type of assessment	Weighting (%)
1	3 & 4	Group Project	40
2	1 & 2	Examination	60

Assessment 1: Group Project

The participants of the course are expected to form groups consisting of 4-5 students that will work on the project of establishing and running a Multinational Corporation (MNC). Each group should choose a unique name for their MNC. The project which is summative would take the form of an essay of 3,000 words, that should be analytical and will require students planning, researching, advising and responding to complex problem sets of multinational corporations.

Assessment 2: Final Examination - individual submission

This is summative unseen three-hour closed book final examination, which will require a comprehensive understanding of the techniques and concepts of International Finance. It will test the students' understanding of the course and their ability to apply their knowledge and demonstrate their skills. The final exam component is application oriented and will be testing both qualitative and quantitative skills and knowledge.

Derogations

None

Learning and Teaching Strategies

Lectures provide a broad outline structure for each topic to be covered. Lectures offer a good way of covering a lot of information and, more importantly, of conveying ideas to many people at once.

Seminars enable students to undertake directed self-study and to answer questions and solve problems which are set by the lecturer. Students will present their answers and solutions within the seminar group. Seminars enable students to explore further the topics introduced in the lectures.

Workshops follow on from lectures and seminars. They are designed to enable students to work within a small group to perform set tasks (e.g. working on an exercise or case study). They reinforce proactive learning by providing opportunities for discussion and interaction.

The seminar/workshop groups are small, thereby enabling students to develop a deep understanding.

Student digital literacies are developed on this module through the use of:

- Online libraries and databases for gaining access to full-text journal articles and eBooks.
- Communication means provided through the VLE and learning technology applications.
- Online group-work, for planning, developing, improving, submitting and reflecting on collaborative work completed as part of the module.
- Assessment and feedback tools such as Multiple-Choice Tests/Quizzes, Turnitin and the VLE's Gradebook – enabling timely and detailed feedback on student work.
- Web-based Office 365 for creating and sharing documents, utilising the calendar, storing files, communicating with peers and teachers.

Indicative Syllabus Outline

- **The international monetary system and the balance of payments**

A history of the international monetary system since the Bretton Woods Agreement and an exploration of contemporary currency regimes. The choice between a fixed and a flexible currency explored within the context of the “impossible trinity” of an ideal currency. The balance of payments: The current account, the capital/financial account and its links with key macroeconomic variables.

- **The foreign exchange (FX) market and international parity conditions**

The functions, geographical extent and market participants of the FX market. Transactions in the interbank markets and FX rates and quotations. The links between prices, inflations, interest rates, asset prices and exchange rates. Interest rate parity and the International Fisher effect. The difficulties in forecasting foreign exchange rates for the short and the long term.

- **Foreign currency and interest rate derivatives**

Foreign currency futures, forwards and options. Speculation and hedging. Currency option pricing and sensitivity. Interest rate and currency swaps. Comparative advantage and swapping fixed rate to floating rate debt. The role of LIBOR. Swapping foreign currency cash flows into domestic currency cash flows and vice versa.

- **Foreign exchange exposure**

The different types of FX exposure: Transaction, Operating and Translation exposure. Will hedging FX risk add to shareholder value? Measuring and managing transaction exposure. Risk management in practice: hedging FX exposure using foreign currency derivative contracts.

- **Financing the global firm and foreign investment decisions**

The global cost and availability of capital. The demand for foreign securities and the role of international portfolio investors. International portfolio theory and diversification. Designing a Strategy to source equity globally. Foreign equity issuance and cross listing and its effects on the Share price. The optimal financial structure of the multinational enterprise. The international debt markets: Syndicated credits, euro notes and Eurobonds. Foreign Direct Investments and the complexities of multinational capital budgeting.

Indicative Bibliography:

Please note the essential reads and other indicative reading are subject to annual review and update.

Essential Reads

Shapiro A.C and Moles P, (2014) International Financial Management, J. Wiley, UK. ISBN-13: 9781118929322

Other indicative reading

David K. Eiteman, Arthur I. Stonehill, Michael H. Moffett (2021) Multinational Business Finance, Global Edition, 15/E, Pearson ISBN-13: 9781292270081

Recommended websites:

www.ft.com Financial Times.

www.bloomberg.com Bloomberg website. You can access to Bloomberg online live programmes.

www.investorlink.com This is a webpage linking to various homepages of financial issues.

www.bondsonline.com Try to apply what you've learned about bond evaluation!

www.londonstockexchange.com Exciting! London Stock Exchange

<http://www.accuinvest.com> Features stock data including quotes, charts, technical and fundamental analysis, stock news, and online investment training.

<http://www.investoreducation.org> Dedicated to facilitating greater understanding of investments and the financial markets among current and prospective investors.

<http://www.asset-analysis.com> Financial market tutorial covering equity analysis, bond market, futures, options, financial leverage, and more.

<http://www.fiscalreference.com> Web reference guide to financial information including links, articles, directory, and a glossary of terms.

<http://www.investments-guide.com> Describes investment markets and strategies, as well as guides to educational and financial news resources.

<http://www.TeachMeFinance.com> Explains Corporate Finance techniques and methodologies.

Employability skills – the Glyndŵr Graduate

Each module and programme is designed to cover core Glyndŵr Graduate Attributes with the aim that each Graduate will leave Glyndŵr having achieved key employability skills as part of their study. The following attributes will be covered within this module either through the content or as part of the assessment. The programme is designed to cover all attributes and each module may cover different areas.

Core Attributes

Engaged

Enterprising

Creative

Ethical

Key Attitudes

Commitment

Curiosity

Resilience

Confidence

Adaptability

Practical Skillsets

Digital Fluency

Organisation

Leadership and Team working

Critical Thinking

Emotional Intelligence

Communication