

ACFI3140: International Finance BINUS 2024



THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA

MISSION: To develop a unique business school identity which is distinctive in the marketplace and provides a clear value proposition for students. This will be achieved by embedding the themes of entrepreneurship and innovation, digitalisation and data within our programs and embracing sustainability, work integrated learning and a commitment to social justice.

OVERVIEW

Course Description In an increasingly global business world, awareness of the most important dimensions of international finance is vital. This course exposes you to the advanced aspects of corporate financial management in an international setting such as currency loans hedged with options and real exchange rates. International Finance equips you with both the knowledge and the technical skills required to understand and analyse a range of relevant financial issues within the global environment.

Contact Hours

Integrated Learning Session

Face to Face on Campus
2 hour(s) per Week for Full Term

Students are expected to complete 4 hours of guided learning via online preparation, lectures, interactive workshops, tutorials, discussion groups or self-directed learning and an additional 6 hours of independent study per week.

Unit Weighting

10

Assumed Knowledge & Pre-Requisites

Any Assumed Knowledge or Pre-Requisites for this course have been previously satisfied by the successful completion of courses within the approved student study plan.

Workload

Students are required to spend on average 120-140 hours of effort (contact and non-contact) including assessments per 10 unit course.

Course Learning Outcomes

On successful completion of this course, students will be able to:

1. Review the problems of dealing in foreign currency and the advantages and disadvantages of overseas funding;
2. Recognise and calculate forward exchange rates given spot rates;
3. Identify market conventions on exchange rate quotation and correctly calculate those quotations;
4. Demonstrate an integrative understanding of the foreign exchange market and the relationships between interest rates, spot and forward rates and expected inflation rates;
5. Comprehend the range of hedging strategies including forward rate hedging and contingent hedging;
6. Explain the use of futures and option contracts in hedging foreign exchange exposure;
7. Analyse, evaluate and synthesise both quantitative and qualitative financial information to influence problem solving and decision making;
8. Demonstrate the capacity to work independently and respond to change in a flexible adaptive manner; and
9. Apply appropriate formats and technologies to financial communication.

COURSE OUTLINE

www.newcastle.edu.au

CRICOS Provider
00109J

ASSESSMENT DETAILS

This course has 4 assessments. Each assessment is described in more detail in the sections below:

	Assessment Name	Due Date	Involvement	Weighting	Learning Outcomes
1	Online Quiz	Open: Monday – Week 1 Closes: Sunday – Week 5 at 11:59pm	Individual	10%	1,2,3,4,5,6,7
2	Mid Semester Quiz	Week 8	Individual	20%	1,2,3,4,5,6
3	Individual Assignment	Monday – Week 12 at 11:59pm	Individual	30%	2,3,4,5,6,7,8,9
4	Final Examination	Final Examination period	Individual	40%	1,2,3,4,5,6,7,8,9

Please note: students are advised that all assessments must be submitted in English. Assessment items not submitted in English will receive a mark of zero.

Results of individual assessment items and final results, including those provided via the Learning Management System (LMS) are 'unofficial results' until they are confirmed as finalised by the School Assessment Body and the Head of School or delegate. Finalised results are released directly to students on the Fully Graded Date of the relevant Semester/Trimester.

Time referenced is time in Jakarta, Indonesia

Late Submissions	The mark for an assessment item submitted after the designated time on the due date, without an approved extension of time, will be reduced by 10% of the possible maximum mark for that assessment item for each day or part day that the assessment item is late. Note: this applies equally to week and weekend days.
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Assessment 1 – Online Quiz

Assessment Type	Quiz
Purpose	The purpose of this quiz is to assess your progressive knowledge and skill and to provide prompt feedback on your progress.
Description	The Quiz requires applying critical thinking, analytical and problem solving skills in the context of questions relevant to the foreign exchange market. The online quiz will cover material from Weeks 1 to 4 (inclusive) and will include multiple choice questions. There will be 10 multiple choice questions and you will be allowed only one attempt at the quiz.
Weighting	10%
Length	45 minutes
Due Date	Open from Monday – Week 1 at 9:00am. Due on Sunday – Week 5 at 11:59pm
Submission Method	Online - CANVAS - Online Quiz
Assessment Criteria	Five (5) criteria will be used: <ul style="list-style-type: none"> • Demonstrated understanding of theory and relevant concepts • Demonstrated application of financial mathematical models to solve investment problems • Accuracy of information/argument. • Clarity of expression • Relevance to the question
Return Method	Online
Feedback Provided	Online - The final mark for the online quiz will be provided after the answers have been submitted.

Assessment 2 - Mid Semester Quiz

Assessment Type	Quiz
Purpose	The purpose of this quiz is to assess your progressive knowledge and skill and to provide prompt feedback on their progress.
Description	The quiz requires application of your critical thinking, analytical and problem solving skills in the context of questions relevant to the foreign exchange market. The quiz will comprise short-answer and multiple choice questions. The mid-semester quiz will cover material from Weeks 1 to 7 (inclusive) and will include problems as well as multiple choice questions.
Weighting	20%
Length	90 minutes (including 10 minutes reading time)
Due Date	Week 8
Submission Method	In Class
Assessment Criteria	Five (5) criteria will be used: <ul style="list-style-type: none"> • Demonstrated understanding of theory and relevant concepts • Demonstrated application of financial mathematical models to solve investment problems • Accuracy of information/argument. • Clarity of expression • Relevance to the question
Return Method	Online via course CANVAS site
Feedback Provided	The answer sheet and marks will be returned to students in hard-copy on the assessment item two weeks after the quiz.

Assessment 3 - Individual Assignment

Assessment Type	Written Assignment
Purpose	The purpose of this assignment is to assess your understanding of key concepts and your capacity to apply theoretical knowledge and analytical techniques to solving practical problems in the FX market. It will be designed to test your ability to apply the skills and knowledge gained in the course to problems related to international finance.
Description	The assignment requires accessing and analysing financial data from the FX market. The assignment consists of a written communication component regarding the importance of hedging strategies.
Weighting	30%
Length	2000 words
Due Date	Due on Monday – Week 12 at 11:59pm
Submission Method	Online - via Turnitin
Assessment Criteria	Five (5) criteria will be used: <ul style="list-style-type: none"> • Demonstrated understanding of theory and relevant concepts • Demonstrated application of financial tools in relevant business decision making • Depth and relevance of analysis • Logic and reasoning of arguments • Structure and presentation of the report
Return Method	Online
Feedback Provided	Online - Marks will be posted on CANVAS within two weeks of submission.

Assessment 4 - Final Examination

Assessment Type	Formal Examination
Purpose	The examination assesses your capacity to consolidate and apply knowledge and skills in the context of International Finance.
Description	The exam requires application of critical thinking and problem solving to questions related to international Finance and the concept/application of hedging/funding strategies in the FX market. This course has a RESTRICTED OPEN BOOK examination. A memory aid is permitted. The memory aid is a single double sided A4 sheet of handwritten or typed notes for use during the examination. Note: memory aids must be left on the examination table and cannot be removed from the examination venue.
Weighting	40%
Length	120 minutes
Due Date	Formal Exam Period
Submission Method	Formal Examination

Assessment Criteria	<p>Five (5) criteria will be used:</p> <ul style="list-style-type: none"> • Demonstrated understanding of theory and relevant concepts • Demonstrated application of financial mathematical models to solve investment problems • Accuracy of information/argument. • Clarity of expression • Relevance to the questions
Return Method	Not Returned
Feedback Provided	<p>No Feedback. Examination scripts will not be returned to students. Final examination scripts will be made available for review by students, upon request, in a controlled and monitored setting. Students are required to make requests, directly to the relevant course coordinator. Completed examination scripts are kept by the Newcastle Business School for a period of six (6) months only, from the relevant fully graded date. Requests made after the six (6) month period cannot be considered.</p>

SYLLABUS

Course Content

Topics in the course include but are not limited to the following:

Provides systematic analysis of issues in international finance, such as the international financial system, institutions and market practices, exchange rate quotation and behaviour, the relationship between spot and forward exchange rates, interest rates and expected inflation rates, the measurement of foreign exchange risk, managing foreign exchange exposure, foreign currency futures and options, portfolio diversification and international investment.

Course Materials

Required Text:

Eiteman, S., Moffett, M., Stonehill, A. (2020) *Multinational Business Finance*, Global Ed. 15th Edition, Australia: Pearson.

Please refer to the course CANVAS site for details of additional recommended texts.

SCHEDULE

Week	Topic	Class Preparation	Workshop Activities
1	Overview of the International Monetary system Using Excel for Regression Analysis	Chapter 1 & 2 Supplementary slides	Understanding financial globalization, exchange rates and currency regimes Understand the history of the modern monetary system Introduction to using Excel to conduct regression analysis
2	The FX Market 1	Chapter 5	Overview of the Foreign Exchange market and the participants
3	The FX Market 2	Chapter 5	Learn the forms of currency quotations and transactions
4	International Parity Conditions	Chapter 6	Economic models in determining the theoretical interest rate
5	Exchange Rate Determination and Forecasting	Chapter 9 Supplementary chapter	Understand econometric and technical models in exchange rate forecasting Assessment 1 due: Sunday week 5 by 11:59pm
6	Foreign Currency Derivatives	Chapter 7	Understand FX futures, options and their returns
7	Interest Rate Risk and Swaps	Chapter 8	Examine the use of interest rate swaps to manage risk
8	Mid Semester Quiz		Assessment 2: Mid Semester Quiz – in Class/or online
9	Diverse Risk Exposure	Chapters 10 & 12	Apply business risk analysis to understand the risk exposure due to the fluctuation of exchange rates
10	Sourcing Equity and Debt Globally	Chapter 14	Discuss multiple methods in raising funds through the global equity and debt market
11	Multinational Tax	Chapter 15	Explore the characteristics of multinational tax management
12	Foreign Direct Investments	Chapter 17	Understand the advantages and disadvantages of FDI Assessment 3 due: Monday, week 12 by 11.59pm
13	Course Review		

CONTACTS

School Offices

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ADDITIONAL INFORMATION

Grading Scheme

This course is graded as follows:

Range of Marks	Grade	Description
85-100	High Distinction (HD)	Outstanding standard indicating comprehensive knowledge and understanding of the relevant materials; demonstration of an outstanding level of academic achievement; mastery of skills*; and achievement of all assessment objectives.
75-84	Distinction (D)	Excellent standard indicating a very high level of knowledge and understanding of the relevant materials; demonstration of a very high level of academic ability; sound development of skills*; and achievement of all assessment objectives.
65-74	Credit (C)	Good standard indicating a high level of knowledge and understanding of the relevant materials; demonstration of a high level of academic achievement; reasonable development of skills*; and achievement of all learning outcomes.
50-64	Pass (P)	Satisfactory standard indicating an adequate knowledge and understanding of the relevant materials; demonstration of an adequate level of academic achievement; satisfactory development of skills*; and achievement of all learning outcomes.
0-49	Fail (FF)	Failure to satisfactorily achieve learning outcomes. If all compulsory course components are not completed the mark will be zero. A fail grade may also be awarded following disciplinary action.

*Skills are those identified for the purposes of assessment task(s).

Communication Methods

Communication methods used in this course include:

- CANVAS Course Site: Students will receive communications via the posting of content or announcements on the CANVAS course site.
- Email: Students will receive communications via their student email account.
- Face to Face: Communication will be provided via face to face meetings or supervision.

Course Evaluation

Each year feedback is sought from students and other stakeholders about the courses offered in the University for the purposes of identifying areas of excellence and potential improvement.

Oral Interviews

As part of the evaluation process of any assessment item in this course an oral examination may be conducted. The purpose of the oral examination is to verify the authorship of the material submitted in response to the assessment task. The oral examination will be conducted in accordance with the principles set out in the [Oral Examination Guidelines](#). In cases where the oral examination reveals the assessment item may not be the student's own work the case will be dealt with under the [Student Conduct Rule](#).

Academic Misconduct

All students are required to meet the academic integrity standards of the University. These standards reinforce the importance of integrity and honesty in an academic environment. Academic Integrity policies apply to all students of the University in all modes of study and in all locations. For the Student Academic Integrity Policy, refer to <https://policies.newcastle.edu.au/document/view-current.php?id=35>.

Adverse Circumstances

The University acknowledges the right of students to seek consideration for the impact of allowable adverse circumstances that may affect their performance in assessment item(s). Applications for special consideration due to adverse circumstances will be made using the online Adverse Circumstances system where:

1. the assessment item is a major assessment item; or
2. the assessment item is a minor assessment item and the Course Co-ordinator has specified in the Course Outline that students may apply the online Adverse Circumstances system;
3. you are requesting a change of placement; or
4. the course has a compulsory attendance requirement.

Before applying you must refer to the Adverse Circumstances Affecting Assessment Items Procedure available at:

<https://policies.newcastle.edu.au/document/view-current.php?id=236>

**Important Policy
Information**

The 'HELP for Students' tab in UoNline contains important information that all students should be familiar with, including various systems, policies and procedures.

This course outline was approved by the Head of School. No alteration of this course outline is permitted without Head of School approval. If a change is approved, students will be notified and an amended course outline will be provided in the same manner as the original.

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