

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
Two (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
Pre-requisites Students must have successfully completed ACFI2070 to enrol in this course.

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

Please refer to the course CANVAS site for details of teaching staff for ALL course offerings. The primary contact for courses is the Course Coordinator, whose details are listed on the course CANVAS site.

Student Consultation A minimum of one (1) hour of consultation per week. Please see course CANVAS site for details of time and location.

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

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 11:59 pm | 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 11:59 pm | 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 Newcastle NSW

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| 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

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| 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 9:00 am. Due on Sunday – Week 5 at 11:59 pm |
| 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

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| 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

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| 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 11:59 pm |
| 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

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| 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 |

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| 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.

ISBN: 9781292270081

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 globalisation, 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 11:59 pm |
| 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 |
| 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 11:59 pm |
| 13 | Course Review | | |

If a lecture/class is scheduled on a public holiday, a make-up lecture may be announced by the course coordinator on the course CANVAS site.

CONTACTS

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PSB Academy Enquiries

Log your question or request to the PSB Program Executives at the following website:
<http://www.psb-academy.edu.sg/eng>
+65 6390 9000

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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).

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| Communication Methods | <p>Communication methods used in this course include:</p> <ul style="list-style-type: none"> - 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 | <p>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.</p> |
| Oral Interviews (Vivas) | <p>As part of the evaluation process of any assessment item in this course an oral examination (viva) 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 (viva) Procedure. 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.</p> |
| Academic Misconduct | <p>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.</p> |
| Adverse Circumstances | <p>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:</p> <ol style="list-style-type: none"> 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. <p>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</p> |
| Important Policy Information | <p>The Help button in the Canvas Navigation menu contains helpful information for using the Learning Management System. Students should familiarise themselves with the policies and procedures at https://www.newcastle.edu.au/current-students/no-room-for/policies-and-procedures that support a safe and respectful environment at the University.</p> |

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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