



*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

<b>Course Description</b>	The course undertakes an in-depth examination of international financial markets and instruments, foreign exchange regimes and exchange rate determination. A significant part of this course also covers alternative methods of financing international operations and strategies for foreign direct investment and alternative methods.
<b>Contact Hours</b>	<b>Lecture:</b> Face to Face on Campus 2 hour(s) per week for 12 weeks
<b>Unit Weighting</b>	10 units
<b>Assumed Knowledge</b>	GSBS6130 Corporate Finance
<b>Workload</b>	Students are required to spend on average 120-140 hours of effort (contact and non-contact) including assessments per 10 unit course.
<b>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.</b>	
<b>Student Consultation</b>	A minimum of one (1) hour consultation per week. Please see course CANVAS site for details of time and location.
<b>Course Learning Outcomes</b>	<b>On successful completion of this course, students will be able to:</b> <ol style="list-style-type: none"><li>1. Apply appropriate formats and technologies to financial communication;</li><li>2. Analyse, apply and evaluate information within the global financial environment of foreign exchange to solve problems and make informed decisions;</li><li>3. Review the problems of dealing in foreign currency and the advantages and disadvantages of overseas funding;</li><li>4. Recognise and calculate forward exchange rates given spot rates;</li><li>5. Identify market conventions on exchange rate quotation and correctly calculate those quotations;</li><li>6. Demonstrate an integrative understanding of the foreign exchange market and the relationships between interest rates, spot and forward rates and expected inflation rates;</li><li>7. Comprehend the range of hedging strategies including forward rate hedging and contingent hedging;</li><li>8. Explain the use of futures and option contracts in hedging foreign exchange exposure; and</li><li>9. Analyse, evaluate and synthesise both quantitative and qualitative financial information to influence problem solving and decision-making.</li></ol>

# COURSE OUTLINE

# ASSESSMENTS

This course has 3 assessments. Each assessment is described in more detail in the sections below:

	Assessment Name	Due Date	Involvement	Weighting	Learning Outcomes
1	Mid-Trimester Test	Week 6 in Class	Individual	20%	1, 2, 3, 4, 5, 6, 7, 8
2	Group Assignment Written and Oral Presentation	<b>Written Report:</b> Monday, Week 12 by 5:00 pm <b>Presentation:</b> Week 12 in Class	Group	30%	1, 2, 3, 4, 5, 6, 9
3	Final Exam	Formal Examination Period	Individual	50%	1, 2, 3, 4, 5, 6, 7, 8, 9

**Please note:** students are advised that ALL assessments must be submitted in English. Assessments 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

<b>Late Submissions</b>	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. <b>Note:</b> this applies equally to week and weekend days.
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### Assessment 1 – Mid-Trimester Test

<b>Assessment Type</b>	In Term Test
<b>Purpose</b>	Students apply critical thinking, analytical and problem-solving skills in the context of questions relevant to the foreign exchange market.
<b>Description</b>	The quiz will cover material from Weeks 1 to 5 (inclusive) and will include both practical and theoretical problems. The quiz is <b>closed book</b> and a non-programmable calculator is required. A formulae sheet will be provided. More details will be provided by the lecturer during the trimester.
<b>Weighting</b>	20%
<b>Length</b>	90 minutes
<b>Due Date</b>	Week 6 – In class
<b>Submission Method</b>	In class
<b>Assessment Criteria</b>	Five (5) criteria will be used: <ul style="list-style-type: none"> <li>- Demonstrated understanding of theory and relevant concepts</li> <li>- Demonstrated application of international finance concepts and models to solve problems</li> <li>- Accuracy of information/argument</li> <li>- Clarity of expression</li> <li>- Relevance to the question</li> </ul>
<b>Return Method</b>	In class
<b>Feedback Provided</b>	Returned Work - The test will be returned to students and solutions will be provided for feedback and reflection two weeks after the quiz.

### Assessment 2 - Group Assignment Written and Oral Presentation

<b>Assessment Type</b>	Written Assignment
<b>Purpose</b>	Students are given a series of tasks which require them to access and analyse data from the FX market and communicate (in written and oral form) their results.
<b>Description</b>	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.
<b>Weighting</b>	30% (25% Written Group Assignment and 5% Oral Presentation)
<b>Length</b>	3000 words limit
<b>Due Date</b>	<b>Report:</b> Monday, Week 12 by 5:00 pm <b>Presentation:</b> Week 12 in class

<b>Submission Method</b>	<b>Written Group Assignment:</b> Online via Turnitin – by <b>ONE</b> group member only. <b>Oral Presentation:</b> In Class
<b>Assessment Criteria</b>	Five (5) criteria will be used for the <b>written group assignment:</b> <ul style="list-style-type: none"> <li>- Structure and presentation of the report</li> <li>- Quality of writing</li> <li>- Depth and relevance of analysis</li> <li>- Discussion and interpretation of analysis</li> <li>- Discussion of the limitations of the analysis</li> </ul> Six (6) criteria will be used for the <b>oral presentation:</b> <ul style="list-style-type: none"> <li>- Organisation of material</li> <li>- Delivery</li> <li>- Engagement</li> <li>- Use of visual aids</li> <li>- Knowledge of subject matter</li> <li>- Accuracy of written content</li> </ul> <p><b>Please note:</b> Self and Peer Assessment: A single mark is given for the group assignment. This mark will then be moderated by "self and peer assessment" using the SPARKPlus software so that individual group members may receive different marks. Any moderated individual mark received by each group member is based on contribution to the assignment and, more importantly the ability to work with others. Individually group members are required to submit a self and peer assessment through SPARK within 24 hours of the due date. Failure to complete SPARK will result in a mark of zero. The criteria for the self and peer assessment are found along with the instructions on how to use SPARK on CANVAS. Please note: <b>NO SPARK NO MARK.</b></p>
<b>Return Method</b>	In class
<b>Feedback Provided</b>	Returned Work - Via marked and returned written group assignments and marked oral presentations.

### Assessment 3 - Final Examination

<b>Assessment Type</b>	Formal Examination
<b>Purpose</b>	Students apply critical thinking and problem solving to questions related to international Finance.
<b>Description</b>	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 <b>RESTRICTED OPEN BOOK</b> 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.
<b>Weighting</b>	50%
<b>Length</b>	120 minutes
<b>Due Date</b>	During the final examination period
<b>Submission Method</b>	Formal Exam
<b>Assessment Criteria</b>	Five (5) criteria will be used: <ul style="list-style-type: none"> <li>- Demonstrated understanding of theory and relevant concepts</li> <li>- Demonstrated application of international finance concepts and models to solving problems</li> <li>- Accuracy of information/argument.</li> <li>- Clarity of expression</li> <li>- Relevance to the question.</li> </ul>
<b>Return Method</b>	Not Returned
<b>Feedback Provided</b>	No Feedback - Items not returned to students (e.g. 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. The Newcastle Business School keeps completed examination scripts for a period of six (6) months only, from the relevant fully graded date. Requests made after the six (6) month period <b>cannot</b> be considered.

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# SYLLABUS

## Course Content

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

1. International business environment
2. International finance and foreign exchange determination
3. Measuring diverse foreign exchange risk exposure
4. The cost of capital of a multinational enterprise
5. Corporate strategy and foreign direct investments; capital budgeting in a multinational setting

## Course Materials

### Required Text:

Bekaert, G and Hodrick, R. (2017) *International Financial Management*, 3rd Edition, Cambridge University Press

**ISBN:** 9781107111820

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

# SCHEDULE

Week	Topic	Class Preparation	Workshop Activities
1	Globalisation, the Multinational Corporation and the Foreign Exchange Market	Chapters 1 and 2	
2	Forward Markets and Transaction Exchange Risk	Chapter 3	
3	Exchange Rate Systems and Interest Rate Parity	Chapters 5 and 6	
4	Speculation and Risk in the Foreign Exchange Market	Chapter 7	
5	Purchasing Power Parity and Real Exchange Rates	Chapter 8	
6	Mid-Trimester		<b>Assessment 1 due:</b> Mid-Trimester Test – in Class
7	Exchange Rate Determination and Forecasting	Chapter 10	
8	International Debt and Equity Financing	Chapters 11 and 12	
9	International Capital Market Equilibrium, Country and Political Risk	Chapters 13 and 14	
10	International Capital Budgeting	Chapters 15 and 16	
11	Risk Management and Foreign Currency Futures and Options	Chapters 17 and 20	
12	Group Presentation		<b>Assessment 2 due:</b> <b>Report</b> Monday, Week 12 by 5:00 pm <b>Presentations</b> Week 12 - in Class

**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:  
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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).

<b>Communication Methods</b>	Communication methods used in this course include: <ul style="list-style-type: none"> <li>- CANVAS Course Site: Students will receive communications via the posting of content or announcements on the CANVAS course site.</li> <li>- Email: Students will receive communications via their student email account.</li> <li>- Face to Face: Communication will be provided via face to face meetings or supervision.</li> </ul>
<b>Course Evaluation</b>	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.
<b>Oral Interviews (Vivas)</b>	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 <a href="#">Oral Examination (viva) Procedure</a> . 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 <a href="#">Student Conduct Rule</a> .
<b>Academic Misconduct</b>	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 <a href="https://policies.newcastle.edu.au/document/view-current.php?id=35">https://policies.newcastle.edu.au/document/view-current.php?id=35</a> .
<b>Adverse Circumstances</b>	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: <ol style="list-style-type: none"> <li>1. the assessment item is a major assessment item; or</li> <li>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;</li> <li>3. you are requesting a change of placement; or</li> <li>4. the course has a compulsory attendance requirement.</li> </ol> Before applying you must refer to the Adverse Circumstances Affecting Assessment Items Procedure available at: <a href="https://policies.newcastle.edu.au/document/view-current.php?id=236">https://policies.newcastle.edu.au/document/view-current.php?id=236</a>
<b>Important Policy Information</b>	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 <a href="https://www.newcastle.edu.au/current-students/no-room-for/policies-and-procedures">https://www.newcastle.edu.au/current-students/no-room-for/policies-and-procedures</a> that support a safe and respectful environment at the University.

*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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