|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. Course code: | FIN 426 | | | 1. Course title: | | | | | | International Financial Management | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | |
| 1. Department: Economics and Finance | | | | | | | | | | | | | | | | | | | | | |
| 1. Program: B.Sc. in Banking and Finance | | | | | | | | | | | | | | | | | | | | | |
| 1. Course credits: 3-credit hour | | | | | | | | | | | | | | | | | | | | | |
| 1. Course NQF Level: 6-7-8 | | | | | | | | | | | | | | | | | | | | | |
| 1. NQF Credits: TBA | | | | | | | | | | | | | | | | | | | | | |
| 1. Prerequisite: FIN 424 | | | | | | | | | | | | | | | | | | | | | |
| 1. Lectures Timing & Location: Online via Blackboard Ultra | | | | | | | | | | | | | | | | | | | | | |
| 1. Course web page: | | | | | | | | | | | | | | | | | | | | | |
| 1. Course Instructor: Dr. Ali Murad Syed ([amsyed@uob.edu.bh](mailto:amsyed@uob.edu.bh)) | | | | | | | | | | | | | | | | | | | | | |
| 1. Office Hours and Location: online | | | | | | | | | | | | | | | | | | | | | |
| 1. Course coordinator: Dr. Ali Murad Syed ([amsyed@uob.edu.bh](mailto:amsyed@uob.edu.bh)) | | | | | | | | | | | | | | | | | | | | | |
| 1. Academic year: 2020-2021 | | | | | | | | | | | | | | | | | | | | | |
| 1. Semester: | |  | First | | | | | X | | | Second | | | |  | | Summer | | | | |
| 1. Textbook: International Financial Management by C.S. Eun, B.G. Resnick and T. Chuluun, 9th Edition, McGraw Hill, 2021 | | | | | | | | | | | | | | | | | | | | | |
| 1. References from the Library (http://www.ac-knowledge.net/uobv3/1)   International Financial Management by Alan C. Shapiro & Peter Moles (John Wiley & Sons)  The website for this textbook is as follows:  [www.wiley.com/college/shapiro](http://www.wiley.com/college/shapiro). | | | | | | | | | | | | | | | | | | | | | |
| 1. Other learning resources used (e.g., e-Learning, field visits, periodicals, software, etc.):   Flipped classroom approach  It is very important that students understand the flipped classroom approach and take advantage of it as guided by the faculty members.  Technology applications: Software such as MS Word, Excel and PowerPoint are used in the class  for the lecture delivery, calculations, and students’ projects, which may include writing and presentation.  Learning platform 1: Blackboard will be used for all exams, to post lecture notes and other course  related material and information and to conduct online revisions. http://bb.uob.edu.bh  Learning platform 2: Microsoft Team will be used to post lecture notes and other course related  material and information and to conduct online revisions. http://bb.uob.edu.bh  Video learning resources: Video resources from online as well as prepared by the faculty members will be made available.  Peer learning: Peer learning will be promoted through YouTube, Mobile learning, Group Case studies and group research projects and presentations.  Production of YouTube: Each student will be required to produce at least one YouTube on One complete chapter within the syllabus and there will be 10 points for it.  Research Projects and Presentations: Research topics will be given to a group of students and they have to make presentation  Case study and Group discussions: Discussions on various case studies that present students with real-life problems are encouraged in the class and online via blackboard. http://bb.uob.edu.bh  For Research projects students are advised to explore and use the data from Thomson Reuters at UOB Library as well as form International Monetary Fund (IMF), World Bank, Organization for Islamic Countries (OIC), Gulf Cooperation Council Countries (GCC), and Organization for Economic Cooperation and Development (OECD) historical Statistics. | | | | | | | | | | | | | | | | | | | | | |
| 1. Course description (as per the published): This course explores financial analyses techniques and attempts to make assessments of the impacts of management decisions on a firms' quality of earnings. The analysis will cover a variety of areas that include cash flows, liquidity, credit, growth rate, etc. It will also discuss the methods of how repayments, problems loans, and the ways of monitoring bank loans.   . | | | | | | | | | | | | | | | | | | | | | |
| 1. Course Intended Learning Outcomes (CILOs): | | | | | | | | | | | | | | | | | | | | | |
| CILOs | | | | | *Mapping to PILOs* | | | | | | | | | | | | | | | | |
| Learning goals | | | | | a. Knowledge | | b. Globalization | | | | | c. Skills | | d. Communication | | | | e. Competencies | | f.  Values | |
|  | | | | | a1: General Knowledge | a2: Specific knowledge | b1: International cross-cultural | | b2: Global Perspective | | | c1: Thinking skills | c2: Analytical skills | d1: Communication (Writing) | | d2: Communication (Oral) | | e1: Leadership skills | e2: Teamwork | f1: Ethics | f2: Social responsibility |
| To understand the conceptual framework within which the key financial decisions of multinational firm can be analyzed. | | | | | ✓ | ✓ |  | |  | | |  |  |  | |  | |  |  |  |  |
| To appreciate the significance of basic factors affecting the exchange rates. | | | | | ✓ | ✓ |  | |  | | | ✓ | ✓ |  | |  | |  |  |  |  |
| To note and analyze the different components of Balance of Payments of a country. | | | | | ✓ | ✓ |  | |  | | | ✓ | ✓ |  | |  | | ✓ | ✓ | ✓ | ✓ |
| To manage the exchange risk using the derivatives. | | | | | ✓ | ✓ |  | |  | | |  |  |  | |  | | ✓ | ✓ | ✓ | ✓ |
| To critically evaluate the Transaction, Translation and Economic exposures of a firm. | | | | | ✓ | ✓ |  | |  | | |  |  |  | |  | | ✓ | ✓ | ✓ | ✓ |
| To learn the rubrics of capital budgeting in a multinational firm | | | | | ✓ | ✓ | ✓ | | ✓ | | |  |  |  | |  | | ✓ | ✓ | ✓ | ✓ |
| To understand the ‘Portfolio investment’ strategies in the globalized environment | | | | | ✓ | ✓ | ✓ | | ✓ | | |  |  |  | |  | | ✓ | ✓ | ✓ | ✓ |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. Course assessment: | | | | | |
| *Assessment Type* | *Details/ Explanation of Assessment in relation to CILOs* | *Number* | *Weight* | *Date (s)* |
| Continuous Assessment (2-hour) | 1,2,3 | 1 | 15 % | TBA |
| Engagement Activities (1-hour) | 1,2 | 2 | 15 % | TBA |
| Examination/ project/assignment/other | 1,2,3,5 | 2 | 30 % | TBA |
| Final Examination  (Respondus) | 2,3,4,5 | 1 | 40% | June 2021 |
| Total |  |  | 100% |  |

|  |  |
| --- | --- |
| 1. Description of Topics Covered | |
| *Topic Title*  *(e.g., chapter/experiment title)* | *Description* |
| Chapter 1: Globalization and the Multinational Corporations (MNCs) or Firms | This chapter enables the student to understand the nature and benefits of globalization, explain the multinational corporations are the key players in international economic competition and identify the stages of corporate expansion overseas by which companies gradually become MNCs. |
| Chapter 2: International Monetary System | Examines various types of International Monetary system since 1800. Also discusses European monetary system. |
| Chapter 3: Balance of Payments | The objective of this chapter is to distinguish between the current account, the financial account and the official reserves; calculates the nation’s balance of payments account from international transactions and to identify the links between domestic economic behavior and international flow of goods and capital. |
| Chapter 4: Corporate Governance around the world | Corporate governance around the world varies greatly in different countries and in different cultures. |
| Chapter 5: The market for Foreign Exchange | This chapter enables the student to explain the concept of an equilibrium exchange rate, identify the basic factors affecting exchange rates, calculate the amount of currency appreciation or depreciation, describe the motives and different forms of central bank’s intervention in the foreign exchange. |
| Chapter 6: International parity and foreign exchange rates | This chapter describes the meaning of Law of one price and its importance in international finance, explains arbitrage concepts, the differences between real and nominal exchange rates, the requirements for successful currency forecasting. |
| Chapter 7: Futures and Options on Foreign Exchange | This chapter attempts to explain what currency futures and options contracts are, distinguishes between different types of derivatives and their advantages and disadvantages, and how they are used to manage currency risk. |
| Chapter 8: Foreign Exchange Exposure and Risk | This chapter will enable the students to be able to define the economic exposure and foreign exchange risk as well as defining the operating exposure and transaction exposure. |
| Chapter 11: International Banking and Money Market | Compares and differentiates between domestic and international banks and examines institutional differences. |
| Chapter 12: International Bond Market | Distinguishes between foreign bonds and Euro bonds, both of which together make up international bond market. If the bonds are issued and funds are raised from international markets, it has relatively more advantages compared to the bonds issued and funds are raised from the domestic economy. |
| Chapter 13: International Equity Market | Equity can be traded in secondary market. There are advantages of cross-listing equity shares in more than one country. |
| Chapter 14: Interest rates and currency swaps | Covers interest rate and currency swaps and how such tools can be used to hedge against long term interest rates and currency risk. |
| Chapter 15: International portfolio Investment | This chapter describes the risks and advantages of international investing, explains how international investing allows investors to achieve a better cost-returns trade-off, identify the barriers of investing overseas and calculating the currency risk associated with investing in securities issued in different markets and denominated in different currencies. |
| Chapter 16: FDI & Cross Border Acquisitions | Why MNCs increase capital expenditures in foreign countries rather producing in domestic economy and then exporting to foreign countries? |
| Chapter 17: International capital Structure and cost of capital | Firm’s cost of capital is lower when its share is traded internationally and if debt capital is sourced internationally. |
| Chapter 18: International capital budgeting | In this chapter, the students will be able to assess the profitability of foreign investments by identifying the incremental cash flows, explaining the various types in which incremental cash flow from total project cash flow, identify and calculate unlevered equity beta, describe the main methods for incorporating political and economic risks. |
| Chapter 19: Multinational cash management | If an MNC establishes centralized cash depository system and multilateral system, it can save lots of money. |
| Chapter 20: International Trade Finance | Examines different ways of financing international trade, such as letter of credit, time draft and bill of lading. |
| Chapter 21: International Tax and Transfer Pricing | In this chapter, income tax rates in selected countries are compared. In addition, transfer pricing strategy may reduce tax liabilities for many MNCs. |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. Weekly Schedule | | | | | |
| *Week* | *Date* | *Topics covered* | *CILOs* | *Teaching Method* | *Assessment* |
| *1* | 07 Feb 2021 | Chapter 1: Globalization and the Multinational Corporations or Firms  [*https://youtu.be/iqH1dVVUqwU*](https://youtu.be/iqH1dVVUqwU) | *1* | *2-hour lecture:* | Quiz |
| *1-hour lecture* |
| *2* | 14 Feb 2021 | Chapter 2: International Monetary System  [*https://youtu.be/MZ79WVCNMP0*](https://youtu.be/MZ79WVCNMP0) | *1,2* | *2-hour lecture:* | Quiz |
| *1-hour lecture* |
| *3* | 21 Feb 2021 | Chapter 3: Balance of payments  <https://youtu.be/W0YwGLz50TA> | 1, 2 | *2-hour lecture:* | Outline for Research Paper |
| *1-hour lecture* |
| *4* | 28 Feb 2021 | Chapter 4: Corporate Governance around the world  <https://youtu.be/NSAcSnG9nW4> |  | *2-hour lecture:* | Quiz |
| *1-hour lecture* |
| *5* | 07 March 2021 | Chapter 5: The market for Foreign Exchange  [*https://youtu.be/D41EuDh3epI*](https://youtu.be/D41EuDh3epI) | 1, 3 | *2-hour lecture:* | Research paper Outline |
| *1-hour lecture* |
| *6* | 14 March 2021 | Chapter 6: International parity and foreign exchange rates  <https://youtu.be/Wd0OPoSgCmc>  Chapter 7: Futures and options on foreign exchange  <https://youtu.be/MEOymbBYNMQ> | 1, 3 | *2-hour lecture:* | Quiz |
| *1-hour lecture* |
| *7* | 21 March 2021 | Chapter 11: International Banking and Money Market  <https://youtu.be/fTTGALaRZoc> | 1, 3 | *2-hour lecture:* | Research paper Outline |
| *1-hour lecture* |
| *8* | 28 March 2021 | Chapter 12: International Bond Market  <https://youtu.be/c_Q0Q0nOjSM> | 1, 4 | *2-hour lecture:* | Final Exam |
| *1-hour lecture* |
| *9* | 04 April 2021 | Mid Semester Break |  | *2-hour lecture:* |  |
| *1-hour lecture* |
| *10* | 11 April 2021 | Chapter 13: International Equity Market  [*https://youtu.be/ZCFkWDdmXG8*](https://youtu.be/ZCFkWDdmXG8)  Chapter 14: Interest rates and currency swaps  [*https://youtu.be/JIdcips9vPU*](https://youtu.be/JIdcips9vPU) | 1, 4 | *2-hour lecture:* | Quiz  Final Exam |
| *1-hour lecture* |
| *11* | 18 April 2021 | Chapter 15: International portfolio Investment  [*https://youtu.be/MrqVypAFnrU*](https://youtu.be/MrqVypAFnrU)  Chapter 16: FDI & Cross Border Acquisitions  [*https://youtu.be/gGNsGGi\_iL4*](https://youtu.be/gGNsGGi_iL4) | 3, 5 | *2-hour lecture:* | Final Exam |
| *1-hour lecture* |
| *12* | 25 April 2021 | Chapter 17: International capital Structure and cost of capital  <https://youtu.be/eMFQlAzq3S0>Chapter 18: International Capital Budgeting  <https://youtu.be/FCojpFwWuG0> | 6, 7 | *2-hour lecture:* | Final Exam |
| *1-hour lecture* |
| *13* | |  | | --- | | 02 May 2021 | | Chapter 19: Multinational cash management <https://youtu.be/SvCawMHUwDA> | 5, 7 | *2-hour lecture:* | Final Exam |
| *1-hour lecture* |
| *14* | |  | | --- | | 09 May 2021 | | Chapter 20: International Trade Financing  [*https://youtu.be/OHvOyUGcC5Y*](https://youtu.be/OHvOyUGcC5Y) | *3,5* | *2-hour lecture:* | Research paper  Case study |
| *1-hour lecture* |
| *15* | 16 May 20201 | Chapter 21: International Tax and Transfer Pricing  [*https://youtu.be/tAGn-k3KpCU*](https://youtu.be/tAGn-k3KpCU) | 4, 6 | *2-hour lecture:* | Review for Final Exam |
| *1-hour lecture* |
| *16* | June 2021 | Final Exam |  |  |  |