

Liverpool John Moores University

Title: INTERNATIONAL FINANCE
Status: Definitive
Code: **6501AE** (107278)
Version Start Date: 01-08-2011

Owning School/Faculty: Liverpool Business School
Teaching School/Faculty: Isle of Man International Business School

Team	Leader
Alex Watt	Y

Academic Level: FHEQ6
Credit Value: 12.00
Total Delivered Hours: 26.00
Total Learning Hours: 120
Private Study: 94

Delivery Options

Course typically offered: Runs Twice - S1 & S2

Component	Contact Hours
Lecture	12.000
Tutorial	12.000

Grading Basis: 40 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Exam	AS1	Examination	75.0	2.00
Essay	AS2	One assignment – a trading simulation.	25.0	

Aims

This module provides students with a comprehensive toolkit to identify, measure and manage the risk that any economic agent faces in international transactions.

Learning Outcomes

After completing the module the student should be able to:

- 1 Find and understand news and data related to international finance that are reported in the media.
- 2 Describe causality and equilibrium between financial markets and economic activity, using appropriate theoretical models.
- 3 Identify, measure and classify the foreign exchange rate risk facing an economic entity.
- 4 Manage the foreign exchange rate risk using appropriate financial instruments.
- 5 Select appropriate derivative products for hedging or speculating purposes according to market conditions.
- 6 Describe the risks and advantages of international portfolio and direct investment.
- 7 Explain and assess the different means of trade financing.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

EXAM	2	3	4	6	7
ESSAY	1	4	5	6	

Outline Syllabus

1. *Enterprises, exchange rates, the world and I*
2. *The foreign exchange market and the determination of exchange rates*
3. *International parity conditions and currency forecasting*
4. *Currency futures*
5. *Currency options*
6. *Managing foreign exchange exposure*
7. *International financing and investment*
8. *Foreign trade and short-term financing*

Learning Activities

Lecture and tutorials with interactive, problem-based learning activities and simulations.

References

Course Material	Book
Author	Eiteman, D, Stonehill, A and Moffett, M
Publishing Year	2007
Title	Multinational Business Finance
Subtitle	
Edition	
Publisher	11th edition, Prentice Hall

ISBN	
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Course Material	Book
Author	Eiteman, D, Stonehill, A and Moffett, M
Publishing Year	2009
Title	Fundamentals of Multinational Finance
Subtitle	
Edition	
Publisher	3rd edition, Prentice Hall
ISBN	

Course Material	Book
Author	Sercu, P
Publishing Year	2009
Title	International Finance: Theory into Practice
Subtitle	
Edition	
Publisher	Princeton University Press
ISBN	

Course Material	Book
Author	Shapiro, A
Publishing Year	2009
Title	Foundations of Multinational Financial Management
Subtitle	
Edition	
Publisher	6th edition, Wiley
ISBN	

Course Material	Book
Author	Lumby, S and Jones, C
Publishing Year	2003
Title	Corporate Finance: Theory and Practice
Subtitle	
Edition	
Publisher	7th edition, Thomson Business Press
ISBN	

Notes

This module provides students with a comprehensive toolkit to identify, measure and manage the risks and opportunities that any economic agent – individuals, firms and any other organisation – faces in international transactions.

International Finance adds an international dimension to the Corporate Finance module on the same route, but it can also be recommended as an option to students on other routes who are interested in international risk management in relation to

their own area of specialisation.

Understanding of the issue is enhanced through an online trading simulation where students apply the module content to real world circumstances.

Formative feedback will be provided with tutorials and the coursework; summative feedback will be provided with coursework and examination.