



## TEACHING PLAN FOR

### • INTERNATIONAL FINANCE

#### 1. Basic description

**Name of the course:** International Finance

**Area:** International business

**Academic year:** 2012-2013

**Year:** Elective

**Term:** 1st

**Degree / Course:** Bachelor's Degree in International Business and Marketing

**Code:** 40110

**Number of credits:** 4

**Total number of hours committed:** 100

**Teaching language:** English

**Lecturer:** Laura Escofet

**Timetable:**

Tuesday 18:30 – 20:45

Seminars: Friday **1A:** 17:35 – 18:30 / **1B:** 18:35 – 19:30 / **1C:** 19:35 – 20:30

#### 2. Presentation of the course

International Finance is an optional course situated in the 1st quarter of the 4<sup>th</sup> year of the International Business and Marketing Degree, focused to develop all international trade finance solutions and contextualise them within a working business environment.

The subject's primary objective is to equip the student with specialized skills and working knowledge of the Export and Import solutions of international companies. The student will discover and integrate the many aspects of 'International Trade Finance' covered over the duration of the course.

The course focuses on understanding the theory of international finance and on its real world applications from a business point of view

The course demands considerable reading and comprehension prior to the lecture classes, a fundamental pre requisite of the course and imperative for fully comprehending the lecture classes. In addition to this information, in the

weekly seminars, practical activities will reinforce the competences to be achieved.

### 3. Competences to be achieved in the course

General competences	Specific competences
<p>Instrumental competences</p> <p>G.I.2. Ability to relate concepts and knowledge from different areas.            G.I.4. Ability to tackle and solve problems.            G.I.5. Ability to take decisions in complex and changing environments.            G.I.8. Oral and written competence in communicating in English.</p>	<p>Disciplinary competences</p> <p>E.D.1. Facilitate understanding of the determinants and consequences of international trade and of international financial transactions.            E.D.10. Introduce basic financial concepts and analytical techniques and introduce their application to international transactions.</p>
<p>General personal competences</p> <p>G.P.3. Moral commitment and ethical sense.</p>	<p>Professional competences</p> <p>E.P.1. Ability to understand the decisions taken by economic agents and their interaction in the markets.</p>
<p>Generic systemic competences</p> <p>G.S.3. Ability to think globally.</p>	<p>E.P.2. Ability to analyse economic and market indicators when taking decisions within the organisation.            E.P.9. Assess and discuss the economic and financial position of an organisation.</p>
<p>Competences for applicability</p> <p>G.A.1. Ability to apply acquired knowledge and skills.            G.A.2. Ability to use quantitative criteria and qualitative insights when taking decisions.            G.A.3. Ability to search and exploit new information sources.</p>	<p>E.P.17. Ability to express and understand spoken and written communication in English at an advanced level in the international business environment.</p>

The above competences interrelate with the basic competences set out in Royal Decree 1393/2007, namely:

- a. competence to **comprehend knowledge, on the basis of general secondary education**
- b. competence to **apply knowledge** to day-to-day work in international management or marketing, in particular, ability to develop and defend arguments and to solve problems

- c. competence to **gather and interpret** relevant **data**, enabling the development of critical judgements on the economic and social reality
- d. competence to **communicate and transmit information** (ideas, problems, solutions) to a specialised and non-specialised public
- e. competence to **develop learning activities** in a relatively autonomous manner.

In order to establish a correspondence between the basic competences and those developed in the degree, these are grouped according to two criteria. Thus, the competences developed in the subject are structured into those that are seen as a development or specification of basic competences and those that define the professional profile of the graduate, with respect to general and specific competences.

**Basic competence: understanding of knowledge**

- I. General competences G.A.2*
- II. Specific competences E.D.1, E.D.10*

**Basic competence: application of knowledge**

- I. General competences G.I.2, G.S.3*

**Basic competence: gather and interpret data**

- I. General competences G.A.3*
- II. Specific competences E.P.2*

**Basic competence: communicate and transmit information**

- I. General competences G.I.8*
- II. Specific competences E.P.17*

**Basic competence: develop learning activities**

- I. General competences G.I.4*

**Competences that define the professional profile which are not included under basic competences**

In general, these competences combine the following key elements for professionalising students in the area of international business and marketing:

- provide students with the capacity to adapt to dynamic teams and environments
- provide students with the capacity to create their own integral vision of the operation of a business or international marketing project
- provide students with the capacity to take complex decisions and carry out negotiation processes

*I. General competences G.I.4, G.I.5, G.A.1*

*II. Specific competences E.P.9*

Own competences of the subject

Understanding and application of the systems and models that enable the financial operations to be carried out.

**4. Contents**

**INTERNATIONAL TRADE FINANCE**

1. - INTRODUCTION. RISK IN AN INTERNATIONAL SCENARIO.  
COUNTRY RISK PROFILE
2. - CAPITAL MARKETS AND TREASURY SOLUTIONS
3. - INTERNATIONAL PAYMENT MECHANISMS
4. - IMPORT/EXPORT COLLECTIONS
5. - IMPORT/EXPORT DOCUMENTARY CREDIT
6. - FACTORING
7. - CONFIRMING
8. - INTERNATIONAL GUARANTEES
9. – INTERNATIONAL CREDIT INSURANCE

## 5. Assessment

### Regular evaluation

The final grade will be determined by the weighted average of the following activities carried out throughout the semester:

Assessment elements	Time period	Type of assessment		Assessment agent			Type of activity	Grouping		Weight (%)
		Comp	Opt	Lecturer	Self-assess	Co-assess		Indiv.	Group (#)	
Test of contents and assistance. Participation in planned activities in the classroom + In-class Quizzes	On going	X		X			Conceptual and application-based	X	X	20%
Delivery and presentation of 2 group projects	Week 2 & Week 9 - 10	X		X			Conceptual, Application-based, and overall understanding	X	X	20%
Midterm exam	Week 6	X		X			Synthesis	X		10%
Final exam	Exam week	X		X			Synthesis	X		50%

Class participation will be evaluated as follows:

- Demonstrate preparation: relate things to book chapters, readings and previous discussions
- Contribute in an active and significant way to ongoing discussions: keep analysis focused, help solving exercises and questions, respond thoughtfully to other students' comments, contribute to the cooperative argument-building and suggest alternative ways of approaching the material.
- In-class Quizzes, prior to the lessons and seminars

#### Group Projects

Every group, composed with 3-4 students. Compulsory presentation.

#### Final Exam

To be admitted to the final exam, a student must achieve a minimum average grade of 4.0 points in the application-based activities (participation, in-class quizzes and group projects). In case a student achieves less than 4.0 points in those activities, the overall course grade will be "Fail".

Taking the final exam is a necessary condition to receive a quantitative evaluation of the course. In case of non-attendance to the final exam, the overall course grade will be "Not Attended."

A minimum grade of 5 out of 10 in the final exam is required to pass the course. Failure to achieve this minimum score on the final exam will result in the overall course grade to be the final exam grade.

### **Extraordinary Evaluation**

Those students who have obtained a final grade below 5.0 and an average grade in the application-based activities (participation, in-class quizzes and group project) above 4.0 may apply for an extraordinary evaluation, which will be scheduled by ESCI-UPF in due time.

The extraordinary evaluation will be only for the final exam. The application-based activities and the midterm exam cannot be retaken and keep their weights and marks earned in the term. Therefore the final grade in the extraordinary evaluation will be:

Application based activities + midterm exam:	50%
Retaken final exam:	50%

## **6. Bibliography and teaching resources**

### **Basic bibliography:**

*“International Trade and Finance”*

Anders Grath  
2nd Edition

*“International Trade Finance A Practical Guide”*

[Kwai Wing LUK](#)

City University of Hong Kong Press

*“International Trade Finance”*

Paul Cowdell and Derek Hyde (Feb 2003)  
Institute of Financial Services

*“International Corporate Finance”*

MADURA, South Western College, 11/e, 2011

### **ICC Publications:**

*“Guide to documentary Credit Operations”*

International Chamber of Commerce

*“UCP 600 for Documentary Credits”*

International Chamber of Commerce

*“Managing Interest rate risk”*

International Chamber of Commerce

*“A to Z of International Trade”*

International Chamber of Commerce

## **7. Methodology**

### **Teaching lessons**

Previously to every lesson, the students will be invited to prepare readings and other materials detailed in section 8. This previous work will be evaluated either at the beginning of each lesson by means of questionnaires and presentations held during the lessons and/or seminars when putting in practice such materials and readings.

In the lessons the teacher will focus on explaining the contents and competences of the course, even if in a practical way. After them, the students will be invited to further analyse the lesson contents with specific readings suggested by the teacher, which will be useful to prepare the seminars.

The teacher will then answer the doubts that the students may still have about the lesson material.

### **Seminars**

Students within a seminar group will be asked to form sub-groups of 4 to 5 members. A series of programmed activities detailed in section 8 will be covered during the seminar group session, both of individual and group nature.

Problems and exercises, namely the preparation of discussion topics, must be resolved and handed in on an individual basis. These issues will be covered at the beginning of the corresponding seminar class.

## 8. Scheduling activities

Week	Activity in the classroom Grouping/type of activity	Activity outside the classroom Grouping/type of activity
Week 1	General Course Introduction International Trade Finance Risks in an international scenario	Reading and comprehension of the introduction material
SEMINAR 1	Preparation and organization of the Country Risk profile presentation	Gather information and prepare the basis of the presentations
Week 2	Group Presentation of Country Risk Profile	Prepare questions for the other groups. Compulsory additional readings.
SEMINAR 2	Country Risk Profile Case	Reading and comprehension of the Country risk material
Week 3	Capital Markets & Treasury Solutions (CMTS) International Cash Management	Compulsory reading of the CMTS presentation and additional material
SEMINAR 3	CASE STUDY EXERCICE CMTS	Review of all the information developed in the last lecture session in order to be able to complete the case study
Week 4	Export/import collections	Reading and comprehension of the export and import collections (clean and documentary) and related readings
SEMINAR 4	CASE STUDY EXERCICE Export/import collections	Review of all the information developed in the last lecture session and extra information provided
Week 5	Export/import L/Cs	Compulsory reading and news material previous to the lesson
SEMINAR 5	L/C Exercise	Reading and comprehension of the export and import L/Cs and additional readings
Week 6	Presentation of a real case: The TRAFIGURA case	Review all information and data provided in the last session of L/Cs in order to be able to understand the real case Compulsory preparation of questions to pose to the guest lecturer
SEMINAR 6	L/C Exercise	Reading and comprehension of the export and import L/Cs and additional readings
	Midterm Test	
Week 7	Factoring/Confirming	Reading and comprehension of all the Factoring/Confirming material prior to class
SEMINAR 7	CASE STUDY EXERCICE Factoring and International Confirming	Review all the Factoring/Confirming material plus additional compulsory readings
Week 8	International Guarantees	Reading and comprehension of all the International Guarantees information provided prior to class
SEMINAR 8	CASE STUDY EXERCICE Trade Guarantees	Review all information/presentation of the Trade Guarantees lesson
Week 9	Credit Risk Insurance + Presentation of the Final Project (first teams)	Reading and comprehension of the PRIs information
SEMINAR 9	Course review and assistance for the final project	Review the entire course and all business case. Assistance for the final project
Week 10	Presentation of the final projects (last teams)	Prepare doubts in order to solve them in the lesson/seminar Q&A
Week final exams	FINAL EXAM	