FI356 INTERNATIONAL FINANCE
IES Abroad Buenos Aires

DESCRIPTION:
A study of "international" finance is essential given the high degree of integration and globalization of the world economy. Further liberalization of international trade, investments and rapid advances in telecommunication and transportation technologies will ensure the continuation of this process.
The material covered in this course introduces the students to the international monetary system and balance of payments, the foreign exchange markets, international capital markets and institutions, management of foreign exchange and political risk, financial management of multinational firms, and covers recent developments in international capital markets and the world economy. Students will examine the barriers to international capital flows and study the various financial techniques developed to overcome these barriers. The focus of this course is global in nature and closely follows current developments on the world economic stage. It places a strong emphasis on connecting the dots between theory and practice and requires the students to develop an understanding of current international financial and economic events.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

INSTRUCTOR: Fernando Von Finke

PREREQUISITES: None

ADDITIONAL COST: None

METHOD OF PRESENTATION:

The professor will use lectures to introduce the key materials, and class discussions to encourage students to share their understanding of the materials. Students will use worksheets and mini-case studies to gain practical experience of the key points. They will read relevant contemporary articles before class, and relevant videos will be shown before or during class sessions, to link the theoretical topics discussed to current events..

REQUIRED WORK AND FORM OF ASSESSMENT:
- Class participation - 10%
- Individual and/or group assignments - 20%
- Midterm assignment - 25%
- Final Project – 20%
- Final exam -25 %

Course Element

Class Participation
The class participation grade will take into account students´ active participation in class discussions, their ability to introduce ideas and thoughts dealing with the required texts, effective use of technical language, and their analytical skills in intellectual, constructive argumentation. When determining the class participation grade, the professor will take into account traditional criteria such as material preparation, completed reading before class, and collaborative group work.

Individual and Group Assignments
Students are expected to deliver worksheets and solution to problems delivered each session.

Final Project
Students will work in groups of two or three (depending on class size) on the final paper. Each group will research a topic in international finance (recent or historic), and the project will comprise of two parts: The first part will be a PowerPoint presentation, and the second part a written paper. No late submissions will be accepted. Papers should be 8 pages, double spaced, Verdana 11.
The **final exam** will be divided in two parts.
1: Students will have to complete an open book test that will be uploaded and will have to be completed in moodle.
2. Students will have to submit a 2-3 pages essay based on their reflections on one of the topics of the second part of the syllabus (after the midterm). The essay has to be based on a hypothesis or issue that could be responded with academic material. The final paper will be delivered by email to the professor by the last class.

LEARNING OUTCOMES:
By the end of the course, students will be able to:

- Demonstrate a broad understanding of the key issues in international finance and their relationship with the globalized world economy.
- Identify the appropriate theoretical discussions and evaluate their application in the 'real world.'
- Analyze and present theoretical topics.
- Describe relevant current global financial or economic events.

ATTENDANCE POLICY:
As a member of our class community, you are expected to be present and on time every day. Attending class has an impact on your learning and academic success. For this reason, attendance is required for all IES Buenos Aires classes, including course-related excursions. If the student misses more than one class (if the course is given intensively in 5 to 7 weeks) or two classes (if the course is given in 15 weeks), his/her final grade will drop one point for each missed class exceeding the limit, e.g. from A to A-, from A- to B+ and so on. Absences will only be justified, and assessed work, including exams, tests and presentations rescheduled, in cases of documented medical or family emergencies.

CONTENT:

Week	Content	Assignments
Week 1[1] and Week 2	**Course Overview** • Introductions, student interests, relevant prior coursework & experience. • Course map, format, required work and assessment • Weekly class format, resources, readings & class discussion assignments. • Intro to International Finance	• *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapter 1 [Please note that all chapter references in this syllabus refer to the required textbook International Finance, by Eun &,Resnick] •

[1] Week 1 is a shorter week of classes as the first few days are dedicated to orientation.

Week	Content	Assignments
Week 2 and 3	**International Monetary System & Balance of Payments** • Historical Perspectives of International Monetary System • Flexible Exchange Rate Regime • Euro & European Monetary System • Review of past currency crises (Mexico, Argentina, South East Asia) • Overview of Balance of Payments	• *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapters 2 and 3.
Week 3	**Foreign Exchange Market & Exchange Rate Determination** • Function & structure of the foreign exchange market • International finance in practice: market mechanics • Spot and forward rates • Interest rate parity • Interest rate parity (cont´d)	• *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapters 5 and 6. • Exercises
Week 4	**Futures & Options on Foreign Exchange** • Foreign exchange futures & options **Foreign Exchange Exposure & Management** • Management of economic, transaction & translation exposure • Key issues in exposure management	• *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapter 7. • *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapters 8, 9, 10. • Students will provide status update on their final projects. The purpose of this update is to make sure students are making progress on their projects.
Week 5	**Interest Rates & Currency Swaps** • Interest rate & currency swaps • Risks of swaps • FX management exercises **World Financial Markets & Institutions. Part 1** • International banking and money markets • International Bond markets	• *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapter 14. • *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapters 11, 12, 13.

Week	Content	Assignments
Week 6	**World Financial Markets & Institutions.Part 2** • International Bond markets (cont´d) • International Equity markets **International Portfolio Investment** • International diversification and portfolio risk reduction • Evaluation of risks and opportunities • Impact of changing exchange rates **Financial Management of Multinational Firms – part 1 & Project update II** • Foreign direct investment (FDI) • Theory & practice of FDI	• *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapters 11, 12, 13. • *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapter 15. • *Students will provide second status update on their final essay and project. By this stage, almost all research should have been completed and the students should have begun writing up their first drafts.*
Week 7	**Financial Management of Multinational – Project Presentations** • Foreign direct investment (FDI) • Theory & practice of FDI • Capital Structure and the cost of capital • Class presentations	• *International Finance*, Eun, Choel S., Resnick, Bruce G. (8TH Edition). Chapters 16, 17 y 18.

COURSE-RELATED TRIPS:

- Course related trip to Museo de Casa de Moneda (Museum of the Mint).
- Course related Trip to Central Bank of Argentina.
- Course related Trip: Bitcoineta Tour (ONG Bitcoin Argentina).
- Course related Trip to a Fin Tech company such as HQ Lemon en ÁreaTres, Palermo.

REQUIRED READINGS:

- They are indicated in the assignment's column.

RECOMMENDED READINGS:

- Bacon, C. R. (2023). Practical portfolio performance measurement and attribution. John Wiley & Sons.
- Chen, H., & Siklos, P. L. (2022). Central bank digital currency: A review and some macro-financial implications. Journal of Financial Stability, 60, 100985
- Dempsey, M. (2021). Financial risk management and derivative instruments. Routledge.
- Chernenko, S.; Faulkner, M. (2011). The two sides of derivatives usage: Hedging and speculating with interest rate swaps- Journal of financial and quantitative analysis, June.
- Fan, L., & Xie, J. (2023). Identify determinants of container ship size investment choice. Maritime Policy & Management, 50(2), 219-234.
- MARKOWITZ, H., SHARPE, W. & TODD, P. "Mean-Variance Analysis in Portfolio Choice and Capital Markets". Wiley & Sons. 2002
- Mikołajewicz-Woźniak, A., & Scheibe, A. (2015). Virtual currency schemes–the future of financial services. Foresight, 17(4), 365-377.

- Read: Dutta, A., Bouri, E., Rothovius, T., & Uddin, G. S. (2023). Climate risk and green investments: New evidence. Energy, 265, 126376.
- Rudolf, K. O., Ajour El Zein, S., & Lansdowne, N. J. (2021). Bitcoin as an Investment and Hedge Alternative. A DCC MGARCH Model Analysis. Risks, 9(9), 154.
- SHARPE, W. “Portfolio Theory in Capital Markets. The original edition”. Mc.Graw-Hill, 2018
- Shields, R., Ajour El Zein, S., & Vila Brunet, N. (2021). An analysis on the NASDAQ’s potential for sustainable investment practices during the financial shock from Covid-19. Sustainability, 13(7), 3748Alvarez, Juan, “Buenos Aires in the Early Twentieth Century” in Joseph, G. And Szuchman (ed*.) I Saw a City that was Invincible. Urban Portraits of Latin America*, pp. 133-147.

INSTRUCTOR BIOGRAPHY:
Fernando Von Finke holds an MBA in International Business & Strategy from Brandeis International Business School. He currently serves as the Director of Order to Cash at Warner Bros. Discovery, overseeing the Order to Cash activities across all business units for both US and Latin American operations. With over 25 years of international finance experience in fast-paced, global industry-leading companies, Fernando possesses a deep understanding of the economic and cultural intricacies of the Americas markets. He started working at IES Abroad Buenos Aires as a professor in 2019.

As a strategic business partner, Fernando collaborates with various stakeholders to deliver innovative solutions that streamline costs, enhance financial controls, and increase the efficiency and productivity of operating entities. He brings extensive expertise in SAP FI-CO, BW, IBM Cognos, IFRS, US GAAP, and budgeting and forecasting.