

Subject Description Form

Subject Code	AF4323
Subject Title	International Finance
Credit Value	3
Level	4
Pre-requisite/ Co-requisite/ Exclusion	Pre-requisite: Business Finance (AF 3313)
Objectives	This module builds on the basic principles of finance and put them under an international context. The aim is to introduce students to various international financial markets and instruments, and examine their implications for financial management.
Intended Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> a. Understand the functions and characteristics of various markets and instruments in international finance; b. Understand how different exchange rate systems (especially Hong Kong's currency board system) function; c. Appreciate the sources of risks in international transactions; d. Manage and hedge those risks; e. Understand how the international debt and equity markets can be utilized by companies and investors.
Subject Synopsis/ Indicative Syllabus	<p>Topic 1: Foundations of International Financial Management Globalization and the Multinational Firm Corporate Governance</p> <p>Topic 2: Introduction and International Monetary System IMS Evolution and HK's CBS</p> <p>Topic 3: Exchange Rate Exchange Rate Determination Forex Market</p> <p>Topic 4: Foreign Exchange Risk Management Currency Futures & Options Currency and Interest Rate Swaps</p> <p>Topic 5: Risk Measurement and Management Management of Transaction Exposure Management of Economic Exposure</p> <p>Topic 6: International Financing International Banking and Money Market International Debt Market and Equity Markets International Portfolio Investment</p> <p>Topic 7: Financial Management Capital Structure and Cost of Capital of MNC's</p>

Teaching/Learning Methodology	The three hours per week will be used flexibly by the instructor for discussing key concepts and carrying out exercises and case assignments with students. Heavy emphasis is placed on the students' oral and written communication skills. Active participation is expected from every student. To maximize benefits, students are expected to share their views actively with instructors and other classmates.																																																											
Assessment Methods in Alignment with Intended Learning Outcomes	<table border="1" data-bbox="466 398 1449 981"> <thead> <tr> <th data-bbox="466 398 794 499" rowspan="2">Specific assessment methods/tasks</th> <th data-bbox="794 398 944 499" rowspan="2">% weighting</th> <th colspan="5" data-bbox="944 398 1449 499">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th data-bbox="944 499 1043 566">a</th> <th data-bbox="1043 499 1142 566">b</th> <th data-bbox="1142 499 1241 566">c</th> <th data-bbox="1241 499 1340 566">d</th> <th data-bbox="1340 499 1449 566">e</th> </tr> </thead> <tbody> <tr> <td data-bbox="466 566 794 633">Continuous Assessment</td> <td data-bbox="794 566 944 633">45%</td> <td data-bbox="944 566 1043 633"></td> <td data-bbox="1043 566 1142 633"></td> <td data-bbox="1142 566 1241 633"></td> <td data-bbox="1241 566 1340 633"></td> <td data-bbox="1340 566 1449 633"></td> </tr> <tr> <td data-bbox="466 633 794 701">1. Midterm Exam</td> <td data-bbox="794 633 944 701">20%</td> <td data-bbox="944 633 1043 701">√</td> <td data-bbox="1043 633 1142 701">√</td> <td data-bbox="1142 633 1241 701"></td> <td data-bbox="1241 633 1340 701"></td> <td data-bbox="1340 633 1449 701"></td> </tr> <tr> <td data-bbox="466 701 794 768">2. Individual Assignment</td> <td data-bbox="794 701 944 768">10%</td> <td data-bbox="944 701 1043 768">√</td> <td data-bbox="1043 701 1142 768"></td> <td data-bbox="1142 701 1241 768">√</td> <td data-bbox="1241 701 1340 768">√</td> <td data-bbox="1340 701 1449 768"></td> </tr> <tr> <td data-bbox="466 768 794 835">3. Individual Project</td> <td data-bbox="794 768 944 835">15%</td> <td data-bbox="944 768 1043 835"></td> <td data-bbox="1043 768 1142 835">√</td> <td data-bbox="1142 768 1241 835"></td> <td data-bbox="1241 768 1340 835"></td> <td data-bbox="1340 768 1449 835"></td> </tr> <tr> <td data-bbox="466 835 794 902">Final Examination</td> <td data-bbox="794 835 944 902">55%</td> <td data-bbox="944 835 1043 902">√</td> <td data-bbox="1043 835 1142 902">√</td> <td data-bbox="1142 835 1241 902">√</td> <td data-bbox="1241 835 1340 902">√</td> <td data-bbox="1340 835 1449 902">√</td> </tr> <tr> <td data-bbox="466 902 794 969">Total</td> <td data-bbox="794 902 944 969">100 %</td> <td colspan="5" data-bbox="944 902 1449 969"></td> </tr> </tbody> </table> <p data-bbox="459 1003 1455 1070">To pass this subject, students are required to obtain Grade D or above in both the Continuous Assessment and Examination components.</p>						Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					a	b	c	d	e	Continuous Assessment	45%						1. Midterm Exam	20%	√	√				2. Individual Assignment	10%	√		√	√		3. Individual Project	15%		√				Final Examination	55%	√	√	√	√	√	Total	100 %					
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Reading List and References	<p data-bbox="459 1552 1455 1653">Textbook Eun, C.S. and B.G. Resnick, <i>International Financial Management</i>, 4th Edition, McGraw Hill, 2007.</p> <p data-bbox="459 1697 1455 1765">Supplementary Readings Shapiro, A.C., <i>Multinational Financial Management</i>, 8th Edition, Wiley, 2006.</p> <p data-bbox="459 1798 1455 1865">Eiteman, D.K. A.I. Stonehill and M.H. Moffet, <i>Multinational Business Finance</i>, 11th Edition, Addison Wesley, 2007.</p> <p data-bbox="459 1899 1455 1955">Bodie, Z., A. Kane, and A.J. Marcus, <i>Essentials of Investments</i>, 6th Edition, McGraw-Hill, 2007.</p>																																																											