Course title: International Trade and Finance
Course code: BUSI 3002 SEBS
Programs offering course: Advanced Liberal Arts, Business and Society, Communications, New Media and Journalism, Spanish, Liberal Arts
Language of instruction: Spanish
U.S. semester credits: 3
Contact hours: 45
Term: Spring 2020

Course Description
The framework for this course is based upon international financial markets, with the purpose of enabling students to understand the primary concepts behind the complex world of international finance.

Learning Objectives
By completing this course, students will:

The fundamental objective of this course is to present the basic concepts of international finance, focusing on International Financial Markets, Exchange Rates, International Fixed and Variable Rate Markets, Risk Management, with special attention to emerging markets.

Course Prerequisites
4 semesters of college-level Spanish (or equivalent) and 3 semesters of college-level micro- or macroeconomics, accounting, finance, management, marketing, or statistics. Students need to have a GPA of at least 2.5.

Methods of Instruction
We will develop the subject matter in class. The classes will be reinforced with in class discussions of case studies using World Banking publications, journals (such as Latinfinance, Euromoney, The Economist, Expansión, El Economista, etc.), internet sources (Bank for International Settlements, European Central Bank, FED, etc.),
computers applications, documentary and financial movies. All work materials will be shown by means of video-projections and slides.

Company visits.

The professor of this course, “International Trade & Finance”, and the Ciee staff will organize a company visit for the students in the class. Attendance is mandatory and absence from this trip will be considered a class absence. In order to find the date of this trip, please look at the class calendar.

Rubrique:

Academic Honesty:

Students are expected to act in accordance with their university and CIEE’s standards of conduct concerning plagiarism and academic dishonesty. Use of online translators for work in Spanish will result in an automatic failure.

Linguistic Resource Center:

It is recommended that students use the LRC

Assessment and Final Grade

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Midterm Exam</td>
</tr>
<tr>
<td>2.</td>
<td>Final Exam</td>
</tr>
<tr>
<td>3.</td>
<td>Case Studies</td>
</tr>
<tr>
<td>4.</td>
<td>Homework</td>
</tr>
<tr>
<td>5.</td>
<td>Classroom Participation</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
</tr>
</tbody>
</table>

Course Requirements

Midterm Exam
First exam consists on a midterm exam that assess the first two chapters of the program. It is made up of multiple choice, open-ended questions and practical exercise.

Final Exam

Second exam consist on a final exam that assess the rest chapters of the program. It is made up of multiple choice, open-ended questions and practical exercise.

Case Studies

Case studies consist on the students must present 3 individual case about a topic related to the subject matter covered in class.

Homework

Home work in groups consist on the students must present 3 group assignments case about a topic related to the subject matter covered in class. In order to do this, the professor will give the students different topics and materials (searching articles, data base, videos, etc.) for the development of the project. The student and professor will discuss the work they want to do for their presentation, solve any doubts, and then prepare the project.

Classroom Participation

Classroom participation consist on students have to participate actively in class discussions. This means they must thoroughly read the assigned material and prepare some related questions and comments. The participation grade will consist on the students' knowledge of the complementary material. Class participation is very important in fulfilling the course goals, to develop an idea, and to promote the dialogue between the students. Each student is responsible for covering all the material explained in class, even if in the case absence from a class. It is recommended to have the e-mails of the other students.

Attendance
Students are not allowed to miss class. For each absence, the participation portion of the grade will be lowered. Hence, it will be very difficult to receive a 10 in the class. Please keep this in mind.

If a student misses class twice without a valid excuse (a *note from a physician in the event of an illness*), then the professor will automatically lower the final grade by 0.5 points (on a 10-point scale) for each class missed thereafter. Students with 6 or more absences will fail the course.

Students should arrive to class on-time. Arriving late for a class will count as an absence.

*Notes from a physician will only be valid and admitted by the Resident Director if the doctor confirms that the visit could not have been arranged at another time, or that the student was too ill to attend class that day.

Course schedule is subject to change due to study tours, excursions, and local holidays. Final schedules will be included in the final syllabus provided to students on site.

**Weekly Schedule**

**Week 1**

**Class 1.1 Introduction**

Course Introduction: requirements, objectives and evaluation method.

Introduction to the material and course methodology

**Class 1.2 Unit 1. INTERNATIONAL FINANCIAL SYSTEMS**

Introduction to international financial markets. The globalization process (MFI, pp.7-13).

Film: Inside Job. Case study 1
Week 2

Class 2.1  Financial Globalization and Contagion
(MFI, pp. 15-18).

Class 2.2  Funds of criminal origin and tax havens
(MFI, pp. 19-20).

Week 3

Class 3.1  International Organizations and Companies
(MFI, pp. 22-32).

Class 3.2  Unit 2. FOREIGN EXCHANGE MARKETS


Class 3.3  Case Study 1 Presentation and Homework 1

Week 4

Class 4.1  Global Discussion

Week 5

Class 5.1  Exchange Rate Arrangements. Foreign exchange markets operations. Examples.
(MFI, pp. 46-59).

Case study 2: George Soros: el hombre que tumbó en Banco de Inglaterra

Class 5.2  The Purchasing Power Parity and classroom exercises
Class 5.3 Company Visit

Week 6
Class 6.1 Interest Rate Parity Theory and classroom exercises and “Fisher Effect”,

    expectations theory and classroom exercises (MFI, pp.64-67).

Homework 2.

Class 6.2 Midterm Exam

Week 7
Class 7.1 Unit 3: INTERNATIONAL FINANCIAL MARKETS: Euromarkets and fixed income

    Euromarkets origin and types of bonds (MFI, pp.75-84)

Class 7.2 Euromarkets origin and types of bonds

    (MFI, pp.87-89)

Week 8
Class 8.1 Case Study 3.

    Documentary: Rating agencies.

Class 8.2 Country-Risk and Emerging Markets

    (MFI, pp.91-99)

Week 9
Class 9.1 Unit 4. INTERNACIONAL FINANCIAL MARKETS: Equities
International Equity Incomes Markets and Mergers (MFI, pp.105-109)

Class 9.2  Types of instruments and ADR

(MFI, pp.109-111)

Week 10
Class 10.1  Stock Markets Indices

(MFI, pp.114-116)

Emerging Markets (MFI, pp.122-127)

Class 10.2  Portfolio creation and diversification

(MFI, pp.133-136).

Homework 3

Week 11
Class 11.1  Sharpe Model

(MFI, pp.137)

Class 11.2  CAPM Model

(MFI, pp.145-151)

Week 12
Class 12.1  Unit 6. International Risk Management

International Risk Management (MFI, pp.157-178).

Film: Margin Call

Class 12.2  Final Exam
Course Materials
Readings

Manual de Finanzas Internacionales (II Edición) (MFI)
José Luis Jiménez Caballero, Félix Jiménez Naharro
Edita: Iris-copy, S.L., 2018

Finanzas Internacionales
José Luis Martín Marín y Cecilia Téllez Valle

Finanzas Internacionales para la empresa
Juan José Durán Herrera y Fernando Gallardo Olmedo
Madrid: Pirámide, 2013

Finanzas Internacionales
Ahmad Rahnema
Barcelona: Deusto, 2007
ISBN 9788423424597

Finanzas internacionales
Zbigniew Kozikowski; revisión técnica Benjamín García Martínez, Eduardo Villegas Hernández.

ISBN: 9789701059173

Manual de Sistema Financiero Español


Ariel Economía. 24º edición. Barcelona.

ISBN 9788434404915

El tipo de cambio

Juan Mascareñas, 2005

Universidad Complutense de Madrid.

www.ucm.es/info/jmas/infin/divisas.pdf

Currency Trading in the FOREX and Futures Markets

Carley Garner, 2012

Pearson Education

International Finance in Emerging Markets

Hansanti, Songporn; Sardar M.N. Islam; Peter Sheehan: 2008

Heidelberg, Physica-Verlag

ISBN: 9783790820430

• GARNER, CARLEY (2012): “Currency Trading in the FOREX and Futures Markets”. Pearson Education
• MASCAREÑAS, JUAN (2005): “El tipo de cambio”. Universidad Complutense de Madrid.
• www.ucm.es/info/jmas/infin/divisas.pdf


Online Resources


Corporación Financiera Internacional (IFC). http://www.ifc.org

Organización de Naciones Unidas (ONU). http://www.un.org/spanish

OCDE. http://www.ocde.org


Banco de Pagos de Basilea. http://www.bis.org/