



University “Ukshin Hoti” Prizren
Faculty of Economics
Program: International Management

SYLLABUS							
Level of studies	Bachelor	Program	International Management			Academic year	2021/22
SUBJECT		INTERNATIONAL FINANCE					
Year	II	The status of Subject	Obligatory	Code		ECTS credits	5
Semester	IV						
Teaching weeks	15		Teaching classes			Lectures	Exercises
						2	2
Teaching Methodology	Interactive lectures, seminar papers, discussions						
Consultation							
The teacher	Luan VARDARI			e-mail	luan.vardari@uni-prizren.com		
				Tel.	+38349855070		
Assistant	Isuf Qabrati			e-mail			
				Tel.			
The purpose of the course				Expected learning outcomes			
<p>This course will enrich student knowledge on financial management aspects of multinational firms. We will discuss the financial risk exposures that confront the multinational companies, how such exposures impact business strategy and operations, and how they can be mitigated. Specific topics will include currency fluctuations, measuring and hedging exchange rate risk, comparative capital structure, multinational investment, and international capital budgeting. We will spend a lot of time dealing with swaps, options and other derivative securities which are commonly used for hedging purposes. The course will be extensively quantitative.</p>				<p>Upon successful completion of the course, the student should be able to:</p> <ol style="list-style-type: none"> 1. Understand how international capital markets work 2. Explain the differences between foreign exchange spot and forward markets 3. Explain the concepts of international parity relations, such as interest rate parity, purchasing power parity, and the international fisher equation 4. Employ models to forecast foreign exchange rates 5. Understand exchange rate exposure for a multinational corporation 6. Use currency derivatives to hedge currency risk 7. Make international investment and capital budgeting decisions. 			
Methodology for the implementation of educational topics:							
Interactive lectures, seminar papers, discussions etc.							
Conditions for realization of educational topics:							
Hall with the possibility of obscuring, computer and projector.							
Methods of evaluation and passing criterions							
Students are evaluated through testing, whereas the final grade consists of four components: - Attendance and activity classes: 0-10 points - Mid-Term Exam: 0 – 20 points - Working seminar: 0 – 20 points				Evaluation in%		Final grade	
				91 - 100		10 (ECTS – A)	
				81 – 90		9 (ECTS - B)	
				71 – 80		8 (ECTS - C)	
				61 – 70		7 (ETCS - D)	

- Final Exam: 0- 50 points	51 – 60	6 (ETCS - E)	
	40 - 50	5* (ETCS – FX)	
Obligations of the student:			
Lectures	Exercises		
<ul style="list-style-type: none"> ✓ Attending lectures, ✓ Participation in debates, ✓ Active participation in long discussions ✓ lectures ✓ Participation in mid-term exam ✓ Participation in the exam ✓ Adhering to the code of courtesy, etc. 	<ul style="list-style-type: none"> - Attending of hours of exercise - Adhering to the code of courtesy, etc. 		
Student's workload for the subject			
Activity	classes	Days / Week	Total:
Lectures	2	15	30
Exercises, practical work	2	15	30
Consultation with teachers	1	10	10
Colloquium, seminars, projects, presentations	1	15	15
Own study time	1	10	10
Preparation for final exam	1	30	30
Note: 1 ECTS credit = 25 hours of commitment, example -if the subject has 5 ECTS credits a student must have 125 hours during the semester commitment		In total:	125

Week	Lecture		Exercises	
	Topic	classes	Topic	classes
1.	INTRODUCTION IN INTERNATIONAL FINANCE	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Unique dimensions of international finance • The benefits of studying international finance • The growing importance of international finance 			
2.	THE MARKETS FOR FOREIGN EXCHANGE	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • An introduction to exchange rates • Forward exchange • Currency futures and options markets 			
3.	THE DETERMINATION OF EXCHANGE RATES	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • The balance of payments • Supply-and-demand view of exchange rates • Influences on currency supply and demand 			

4.	THE FUNDAMENTAL INTERNATIONAL PARITY CONDITIONS	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • The purchasing-power-parity principle • Interest parity • The investment and borrowing criteria 			
5.	MANAGING FOREIGN EXCHANGE RISK AND EXPOSURE	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Foreign exchange exposure and risk • Accounting exposure versus real exposure • Operating exposure • Hedging risk and exposure • Exchange-rate forecasting and speculation 			
6.	INTERNATIONAL INVESTMENT AND FINANCING	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Cash management • Portfolio investment • Capital budgeting for foreign investments 			
7.	MID-TERM EXAM 1	2	Reviews of discussion questions and concrete cases	2
8.	INSTITUTIONAL STRUCTURE OF INTERNATIONAL TRADE AND FINANCE	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Multinational banking • Instruments and institutions of international trade • Alternative payment and guaranteeing procedures • The financing of international trade 			
9.	THE INTERNATIONAL MACROECONOMIC ENVIRONMENT: THEORIES AND PRACTICES	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Asset-based theories of exchange rates • Alternative systems of exchange rates • The international financial system: past, present, and future 			
10.	FINANCIAL MARKETS	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Primary and Secondary markets • Money markets 			

	<ul style="list-style-type: none"> • Capital markets • Securities markets 			
11.	STOCK EXCHANGE MARKETS	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • European stock exchange markets • USA exchange markets • Asian exchange markets 			
12.	INTERNATIONAL TRADE AGREEMENTS	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Regional trade blocs • EU trade preferences • European Currency EURO • Impact on financial flows 			
13.	COUNTRY RISK ANALYSIS	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Expropriation • Financial Risk • Political risk factors 			
14.	INVESTMENTS AND PRODUCTION FACTORS	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • Direct Foreign investments • Factors affecting FDI • Potential economic growth 			
15.	INFORMATION TECHNOLOGY AND GLOBALISM	2	Reviews of discussion questions and concrete cases	2
	<ul style="list-style-type: none"> • The birth of globalization • The main characteristics of globalization • Incoterms rules 			

LITERATURE

1. Gani Gjini. (2015). Financat Ndërkombëtare, (International Finance). University of Prizren, Prizren.
2. Paul R. Krugman, Maurice Obstfeld, Marc Melitz. (2018). International Finance: Theory and Policy, 11th Edition. Pearson.
3. Frank J. Fabozzi dhe Franco Modigliani, (2013) Capital Markets: Institutions and Instruments, publishing house "Media print", Tiranë.
4. Maurice Levi, (2005). International Finance. Routledge; Taylor & Francis Group, United Kingdom.

Note:

- ✓ Students must be conscientious and respect the rules of the institution.
- ✓ Must respect the schedule of lectures, exercises and be attentive in teaching.
- ✓ It is mandatory to have ID in the test.
- ✓ When designing works, the student must adhere to the instructions given by the teacher.
- ✓ Use of mobile phones is not allowed during test hours.