



## “INTERNATIONAL FINANCE” SYLLABUS

Basic data of the subject	
<b>Academic Unit:</b>	<b>Faculty of Economics</b>
<b>Course title:</b>	<b>International Finance</b>
<b>Program:</b>	<b>International Management</b>
<b>Level:</b>	<b>Bachelor</b>
<b>Course status:</b>	<b>Mandatory</b>
<b>Study year:</b>	<b>II</b>
<b>Number of hours per week:</b>	<b>2+2</b>
<b>Credit value – ECTS:</b>	<b>5</b>
<b>Time / location:</b>	<b>Fourth semester</b>
<b>Lecturer:</b>	<b>Prof. Ass. Dr. Luan Vardari</b>
<b>Contact details:</b>	<b>luan.vardari@uni-prizren.com</b>
<b>Course description:</b>	<p>This course focuses on the theory and practice of international finance, introducing the concepts and theories of exchange rates and balance of payments, followed by the international monetary system and macroeconomic policies in an open economy.</p> <p>The subject includes the following issues:</p> <p>(1) basic concepts of international finance, such as exchange rates, balance of payments, capital markets, financial exchanges, payment methods in international trade, foreign direct investment.</p> <p>(2) the main theory and frameworks of analysis, including the working models of the small open economy, the policy games between countries and the causes of the financial crisis.</p>
<b>Course objectives:</b>	<p>The International Finance course will enrich students' knowledge of the financial management aspects of multinational firms. We will discuss the financial risk exposures that multinational companies face, how such exposures affect 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 investments, and international capital budgeting.</p> <p>We will spend a lot of time dealing with swaps, options, and other derivative securities that are typically used for hedging purposes.</p>
<b>Learning outcomes:</b>	<p>After successful completion of the course, the student should be able to:</p> <ul style="list-style-type: none"> <li>• Understand how international capital markets work</li> </ul>

	<ul style="list-style-type: none"> <li>• Explain the differences between the foreign exchange and futures markets</li> <li>• Explain international relations concepts of parity, such as interest rate parity, purchasing power parity and the international fisheries equation</li> <li>• Use models to forecast foreign exchange rates</li> <li>• Understand exchange rate exposure for a multinational corporation</li> <li>• Use currency derivatives to hedge currency risk</li> <li>• Make international investment and capital budgeting decisions.</li> </ul>		
<b>Contribution on student load (must correspond with learning outcomes)</b>			
Activity	Hours	Days/week	Total
Lectures	2	15	30
Exercise theoretical/laboratory	2	15	30
Contact with lecturer/consultations	1	10	10
Mid-terms, seminars, Projects, presentations, etc.	1	10	10
Individual time spent studying (at the library or home)	1	10	10
Final preparation for the exam	3	10	30
Time spent in evaluation (tests, quiz, final exam)	1	5	5
<b>Total</b>			<b>125 hours (5 ECTS)</b>
<b>Teaching methods:</b>	Interactive lectures, discussions, seminar papers, case studies, etc.		
<b>Evaluation methods:</b>	<p>The evaluation is done through the test, while the final grade consists of four components:</p> <ul style="list-style-type: none"> <li>- Participation and activity in class: 10%</li> <li>- Colloquium: 20%</li> <li>- Seminar paper: 20%</li> <li>- Final exam: 50%</li> </ul>		
<b>Literature</b>			
<b>Basic Literature:</b>	<ul style="list-style-type: none"> <li>• Paul R. Krugman, Maurice Obstfeld, Marc J. Melitz. 2018. <i>International Finance: Theory and Policy</i>, Eleventh Edition. Global Edition. Pearson Education Limited. United Kingdom.</li> <li>• Gani, Gjini. 2015. <i>Financat Ndërkombëtare</i>, Universiteti “Ukshin Hoti”, Prizren.</li> </ul>		

	<ul style="list-style-type: none"> <li>• Moffet, M. H., Stonehill, A. I. Eiteman, D. K. 2021. <i>Fundamentals of Multinational Finance</i>. 6th Edition. Global Edition. Pearson Education Limited, UK.</li> <li>• Halit, Xhafa. 2012. <i>Drejtimi Financiar Ndërkombëtar</i>. Tiranë.</li> <li>• Terra, C. 2015. <i>Principles of International Finance and Open Economy Macroeconomics: Theories, Applications, and Policies</i>. London: Academic Press.</li> </ul>
<b>Additional Literature:</b>	<ul style="list-style-type: none"> <li>• Frank J. Fabozzi, Franco Modigliani. 2013. <i>Tregjet e kapitaleve: Institucionet dhe Instrumentet</i>. Shtëpia botuese Media print, Tiranë.</li> <li>• Frederic, Mishkin, Stenly, Eakins. 2009. <i>Tregjet dhe Institucionet Financiare – Pjesa I</i>, Kolegji Victory, Prishtinë.</li> <li>• Fabozzi, F. J., &amp; Drake, P. P. 2009. <i>Finance: Capital Markets, Financial Management, and Investment Management</i>. New Jersey, United States of America: John Wiley &amp; Sons, Inc.</li> <li>• Melicher, R. W., &amp; Norton, E. A. 2017. <i>Introduction to Finance Markets, Investments, and Financial Management</i>. United States of America: John Wiley &amp; Sons, Inc.</li> </ul>

Designed study plan:		
Week	Lectures	Exercises
<i>First week:</i>	Familiarity with the subject and syllabus Introduction to International Finance	Introduction to International Finance Familiarity with exercise form
<i>Second week:</i>	Foreign exchange markets	Reviews of questions for discussion and concrete cases
<i>Third week:</i>	Determination of the exchange rate	Reviews of questions for discussion and concrete cases
<i>Fourth week:</i>	Management of risk and exposure from foreign exchange	Reviews of questions for discussion and concrete cases
<i>Fifth week:</i>	International trade financing	Reviews of questions for discussion and concrete cases
<i>Sixth week:</i>	International Monetary System	Reviews of questions for discussion and concrete cases
<i>Seventh week:</i>	Optimal areas of currencies and euros	Reviews of questions for discussion and concrete cases
<i>Eighth week:</i>	Colloquium	Colloquium



<i>Ninth week:</i>	The institutional structure of international trade and finance	Reviews of questions for discussion and concrete cases
<i>Tenth week:</i>	Balance of payments	Reviews of questions for discussion and concrete cases
<i>Eleventh week:</i>	Financial markets	Reviews of questions for discussion and concrete cases
<i>Twelfth week:</i>	Financial exchanges	Reviews of questions for discussion and concrete cases
<i>Thirteenth week:</i>	International trade agreements	Reviews of questions for discussion and concrete cases
<i>Fourteenth week:</i>	Foreign direct investment and political risk	Reviews of questions for discussion and concrete cases
<i>Fifteenth week:</i>	Summary and review of key aspects of international finance	Presentations of student works and exam preparation
<b>Academic policies and rules of conduct:</b>		
<ul style="list-style-type: none"><li>• Students must be aware and respect the rules of the institution.</li><li>• Students must respect the schedule of lectures, exercises and be attentive in class.</li><li>• Students must have their ID card with them, they cannot take the test without their ID card.</li><li>• During the drafting of the papers, the student must adhere to the instructions given by the teacher.</li><li>• The use of mobile phones is not allowed during the test hours.</li></ul>		