

HSB-Short Term Study Program 2022

a transatlantic joint project of the HSB-School of International Business and its partner universities in the U.S.A.

INTERNATIONAL FINANCE

Course dates: 12 June – 30 June 2022

Credit hours: 3 credit hours - US

Syllabus

Instructor:	Professor Dr. Doris Geide-Stevenson	
	Goddard School of Business & Economics Weber State University Ogden / UT	
	Professor of Economics	
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Schedule: Monday-Thursday 9.30 h – 12.45 h



Course Description:

The global economy is characterized by many national currencies, financial integration and government policies that are decided mostly on the national level. In International Finance we will study how national economies with different currencies impact each other in a financially integrated world. The course will focus on the functioning of the foreign exchange market and an exploration of what determines the exchange rate between two currencies as well as how businesses can manage their exposure to exchange rate risk. We will study the basic economic models developed to explain exchange rate movements and compare how well these models perform empirically. Throughout the course we will pay close attention to current events that relate to the course material.

Learning Objectives:

In this course we will learn:

- How to read and interpret financial data on foreign exchange rates.
- The rationale for financial globalization.
- How global events drive exchange rate movements.
- How businesses can manage exchange rate risk.

Course Materials:

We will rely on an open source textbook such as [*International Finance: Theory and Policy*](#) by Steven Suranovic, but will update the material with current data. We will also read business press articles (Economist, Financial Times, Wall Street Journal) on current issues in international finance to help us apply the exchange rate models we learn about.

Course Requirements – Evaluation Criteria:

Quiz 1	30%
Homework Assignments (may be in-class or outside of class)	20%
Final Exam	35%
Group Presentation	15%

Group presentations will study the situation of international finance for individual countries or international financial management challenges for specific firms.

Course Outline:

Class Meeting	Class Topics
1	How to read and interpret exchange rates: Definitions and Data
2	Globalization of Finance, Exchange Rate Regimes, and Arbitrage
3	The Foreign Exchange Market – Interest Rate Arbitrage Conditions
4	Exam 1
5	Purchasing Power Parity
6	Exchange Rate Movements in the Short-Run
7	The Gains from Financial Globalization
8	Business Strategies to Manage Exchange Rate Risk
9	Final Exam and Presentations

Grading System:

German Grade	1,0 – 1,5	1,6 – 1,9	2,0 - 2,2	2,3 – 2,5	2,6 – 3,2	3,3 - 3,5	3,6 – 4,0	>4,0
US Grade	A	A-	B+	B	B-	C+	C	F
Qualifier	Excellent	Good			Satisfactory		Sufficient	Failing
Percentage	100-90 %		89-80 %			79-70 %		<70 %

- The program may be subject to change -

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