# ECON3060

**International Finance**

**Session 2, Special circumstances 2021**

*Department of Economics*

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## Session 2 Learning and Teaching Update

The decision has been made to conduct study online for the remainder of Session 2 for all units WITHOUT mandatory on-campus learning activities. Exams for Session 2 will also be online where possible to do so.

This is due to the extension of the lockdown orders and to provide certainty around arrangements for the remainder of Session 2. We hope to return to campus beyond Session 2 as soon as it is safe and appropriate to do so.

Some classes/teaching activities cannot be moved online and must be taught on campus. You should already know if you are in one of these classes/teaching activities and your unit convenor will provide you with more information via iLearn. If you want to confirm, see the list of [units with mandatory on-campus classes/teaching activities](https://unitguides.mq.edu.au/unit_offerings/138510/unit_guide/print).

Visit the [MQ COVID-19 information page](https://www.mq.edu.au/safety/coronavirus) for more detail.
General Information

Unit convenor and teaching staff
Unit Convenor and Lecturer
Ha Vu
ha.vu@mq.edu.au
Contact via ha.vu@mq.edu.au
4 Eastern Road, room 426, ext: 8499
Check ilearn for the update

Credit points
10

Prerequisites
20cp at 2000 level or above including ECON203 or ECON2003 or ECON204 or ECON2004 or AFIN250 or AFIN2050

Corequisites

Co-badged status

Unit description
The aim of this unit is to analyse the structure, functions and operations of the international financial system and to evaluate its impact on the Australian economy. Topics may include: international capital flows and balance of payments; analysis of foreign exchange markets, arbitrage and speculation; discussion of purchasing power parity and real exchange rates; currency and commodity swaps; corporate management of exchange rate risk exposure in spot and forward markets; currency futures and options; Eurodollar markets; models of exchange rate determination; exchange rate forecasting techniques; international trade finance; international taxation; and foreign and direct portfolio investments; and international capital budgeting.

Important Academic Dates
Information about important academic dates including deadlines for withdrawing from units are available at https://students.mq.edu.au/important-dates

Learning Outcomes
On successful completion of this unit, you will be able to:

ULO1: Analyse the structure, functions and operations of the international financial system.
ULO2: Research and engage with confidence in international business decisions using the appropriate analytical tools.

ULO3: Describe and analyse the risks that businesses and investors may face in the international markets.

## Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly tutorial and discussion</td>
<td>20%</td>
<td>No</td>
<td>Weekly starting Week 2</td>
</tr>
<tr>
<td>Online Test 1</td>
<td>20%</td>
<td>No</td>
<td>Week 7 Wednesday 8 September 2021</td>
</tr>
<tr>
<td>Essay</td>
<td>20%</td>
<td>No</td>
<td>Week 10 Wednesday 13 October 2021</td>
</tr>
<tr>
<td>Final online examination</td>
<td>40%</td>
<td>No</td>
<td>University Examination Period</td>
</tr>
</tbody>
</table>

### Weekly tutorial and discussion

**Assessment Type**: Participatory task  
**Indicative Time on Task**: 13 hours  
**Due**: **Weekly starting Week 2**  
**Weighting**: 20%

Every week, students are required to attend a one-hour live tutorial via zoom, and post their response to one of the discussion questions into ilearn.

On successful completion you will be able to:

- Analyse the structure, functions and operations of the international financial system.
- Research and engage with confidence in international business decisions using the appropriate analytical tools.
- Describe and analyse the risks that businesses and investors may face in the international markets.

### Online Test 1

**Assessment Type**: Quiz/Test  
**Indicative Time on Task**: 5 hours  
**Due**: **Week 7 Wednesday 8 September 2021**  
**Weighting**: 20%
A one-hour test will be held in week 7, consisting true/false with explanation, problem solving and short-answer questions.

On successful completion you will be able to:

- Analyse the structure, functions and operations of the international financial system.
- Research and engage with confidence in international business decisions using the appropriate analytical tools.
- Describe and analyse the risks that businesses and investors may face in the international markets.

**Essay**

Assessment Type: Essay  
Indicative Time on Task: 15 hours  
Due: **Week 10 Wednesday 13 October 2021**  
Weighting: 20%

This assessment involves students undertaking individual research on a topic given and writing a 1400-1600-word essay (excluding tables, diagrams and reference list).

On successful completion you will be able to:

- Analyse the structure, functions and operations of the international financial system.
- Research and engage with confidence in international business decisions using the appropriate analytical tools.
- Describe and analyse the risks that businesses and investors may face in the international markets.

**Final online examination**

Assessment Type: Examination  
Indicative Time on Task: 27 hours  
Due: **University Examination Period**  
Weighting: 40%

A two-hour exam will be held during the University Examination period.
On successful completion you will be able to:

- Analyse the structure, functions and operations of the international financial system.
- Research and engage with confidence in international business decisions using the appropriate analytical tools.
- Describe and analyse the risks that businesses and investors may face in the international markets.

If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the Learning Skills Unit for academic skills support.

Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation.

**Delivery and Resources**

Each week, there will be a pre-recorded lecture posted on the unit iLearn page, along with the lecture slides.

Starting in Week 2, there will be one-hour tutorial class (via zoom), Wednesday 3-4pm, to discuss questions regarding the lecture topics.

All materials for the unit, such as pre-recording lectures, lecture notes, readings, and discussion questions will be available to students on the unit iLearn site at http://ilearn.mq.edu.au. Students are strongly encouraged to check the unit iLearn page weekly for announcements as well as the unit schedule, additional readings, assessment information, and discussion questions.

**Required and Recommended Texts, and other resources**


Here is the link to the latest US edition:


*Recommended texts:*


Useful resources for this course:
Banking Weekly Podcasts - Financial Times: podcast.ft.com/banking-weekly
www.bloomberg.com
www.theeconomist.com
www.bis.org
www.wsj.com
IMF Podcasts

Technology Used and Required
It is my expectation that the lectures of Econ360 will be recorded on the University's i-Lecture facility. This can be found at: http://ilearn.mq.edu.au

The iLearn facility at this same site will also be the main vehicle through which unit communications will be made, and via which students can communicate with each other.

Unit Schedule

<table>
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<th>Week</th>
<th>Lecture</th>
<th>Assessment tasks</th>
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<tbody>
<tr>
<td>1</td>
<td>Topic 1: Multinational firms, and international flows of funds</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Topic 2: Foreign exchange markets and government intervention</td>
<td>Online Discussion 1</td>
</tr>
<tr>
<td>3</td>
<td>Topic 3: International financial markets</td>
<td>Online Discussion 2</td>
</tr>
<tr>
<td>4</td>
<td>Topic 4: Currency derivative markets</td>
<td>Online Discussion 3</td>
</tr>
<tr>
<td>5</td>
<td>Topic 5: International arbitrage and interest rate parity</td>
<td>Online Discussion 4</td>
</tr>
<tr>
<td>6</td>
<td>Topic 6: Relationship between inflation, interest rate, and exchange rate</td>
<td>Online Discussion 5</td>
</tr>
<tr>
<td>7</td>
<td>Online Test 1 (20%)</td>
<td>Test (20%)</td>
</tr>
<tr>
<td>8</td>
<td>Topic 7: Measurement and management of exchange rate risk</td>
<td>Online Discussion 6</td>
</tr>
<tr>
<td>9</td>
<td>Topic 7 (cont)</td>
<td>Online Discussion 7</td>
</tr>
<tr>
<td>10</td>
<td>Topic 8: Management of long-term assets and liabilities</td>
<td>Assignment (20%): Due 11:50pm Wednesday 13 October 2021  Online Discussion 8</td>
</tr>
<tr>
<td>11</td>
<td>Topic 8 (cont)</td>
<td>Online Discussion 9</td>
</tr>
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Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- Academic Appeals Policy
- Academic Integrity Policy
- Academic Progression Policy
- Assessment Policy
- Fitness to Practice Procedure
- Grade Appeal Policy
- Complaint Management Procedure for Students and Members of the Public
- Special Consideration Policy (Note: The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.)

Students seeking more policy resources can visit the Student Policy Gateway (https://students.mq.edu.au/support/study/student-policy-gateway). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit Policy Central (https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central).

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/admin/other-resources/student-conduct

Results

Results published on platform other than eStudent, (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in eStudent. For more information visit ask.mq.edu.au or if you are a Global MBA student contact globalmba.support@mq.edu.au

Student Support

Macquarie University provides a range of support services for students. For details, visit http://stu
Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to help you improve your marks and take control of your study.

- Getting help with your assignment
- Workshops
- StudyWise
- Academic Integrity Module

The Library provides online and face to face support to help you find and use relevant information resources.

- Subject and Research Guides
- Ask a Librarian

Student Enquiry Service

For all student enquiries, visit Student Connect at ask.mq.edu.au

If you are a Global MBA student contact globalmba.support@mq.edu.au

Equity Support

Students with a disability are encouraged to contact the Disability Service who can provide appropriate help with any issues that arise during their studies.

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the Acceptable Use of IT Resources Policy. The policy applies to all who connect to the MQ network including students.