



# ECON3060

## International Finance

Session 2, Online-scheduled-weekday 2023

*Department of Economics*

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## General Information

Unit convenor and teaching staff

Ha Vu

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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://www.mq.edu.au/study/calendar-of-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

Name	Weighting	Hurdle	Due
<u>Weekly online discussion</u>	20%	No	Weekly, starting Week 2
<u>Mid-session Test</u>	20%	No	Week 7, Thursday 07/09/2023
<u>Essay</u>	20%	No	Week 9, 11:59pm Sunday 08/10/2023
<u>Final examination</u>	40%	No	University Examination Period

### Weekly online discussion

Assessment Type <sup>1</sup>: Participatory task

Indicative Time on Task <sup>2</sup>: 13 hours

Due: **Weekly, starting Week 2**

Weighting: **20%**

Every week, students are required to post their response to 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.

### Mid-session Test

Assessment Type <sup>1</sup>: Quiz/Test

Indicative Time on Task <sup>2</sup>: 5 hours

Due: **Week 7, Thursday 07/09/2023**

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 <sup>1</sup>: Essay

Indicative Time on Task <sup>2</sup>: 15 hours

Due: **Week 9, 11:59pm Sunday 08/10/2023**

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 examination

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 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.

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<sup>1</sup> 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 [Writing Centre](#) for academic skills support.

<sup>2</sup> 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), Thursday 1-2pm**, or **Thursday 6-7pm** 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

*Required text:* Jeff Madura, Ariful Hoque, and Chandrasekhar Krishnamurti, *International Financial Management*, Cengage Learning, either Asia-Pacific edition (2018), or US edition (2020). (Older editions are fine too).

Here is the link to the latest US edition:

<https://cengage.com.au/product/division/university/title/international-financial-management/isbn/9780357130544>

*Recommended texts:*

Geert Bekaert and Robert Hodrick, 2012 (2nd edition), *International Financial Management*, Pearson International. ISBN-13: 978-013-284-298-3

Alan C. Shapiro, 2014 (10th edition), *Multinational Financial Management*, Wiley. ISBN-13: 978-118-857-238-2

*Useful resources for this course:*

Banking Weekly Podcasts - Financial Times: [podcast.ft.com/banking-weekly](http://podcast.ft.com/banking-weekly)

[www.bloomberg.com](http://www.bloomberg.com)

[www.theeconomist.com](http://www.theeconomist.com)

[www.bis.org](http://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

Week	Lecture	Assessment tasks
1	Topic 1: Multinational firms, and international flows of funds	
2	Topic 2: Foreign exchange markets and government intervention	Online Discussion 1
3	Topic 3: International financial markets	Online Discussion 2
4	Topic 4: Currency derivative markets	Online Discussion 3
5	Topic 5: International arbitrage and interest rate parity	Online Discussion 4
6	Topic 6: Relationship between inflation, interest rate, and exchange rate	Online Discussion 5
7	Online Test 1 (20%)	Test (20%)
8	Topic 7: Measurement and management of exchange rate risk	Online Discussion 6
9	Topic 7 (cont)	Online Discussion 7
10	Topic 8: Management of long-term assets and liabilities	Assignment (20%): Due 11:59pm Sunday 08 October 2023 Online Discussion 8
11	Topic 8 (cont)	Online Discussion 9
12	Topic 8 (cont)	Online Discussion 10
13	Topic 9: Management of short -term assets and liabilities	

Note: Each Online Discussion is worth 2%, together they are worth 20%.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au). 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](#)
- [Assessment Procedure](#)
- [Complaints Resolution Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#)

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

To find other policies relating to Teaching and Learning, visit [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au) and use the [search tool](#).

## 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](https://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## The Writing Centre

The Writing Centre provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the 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 Services and Support

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault
- [Social support including information about finances, tenancy and legal issues](#)
- [Student Advocacy](#) provides independent advice on MQ policies, procedures, and processes

## Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](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.