



# ECON3060

## International Finance

Session 2, In person-scheduled-weekday, North Ryde 2024

*Department of Economics*

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## General Information

Unit convenor and teaching staff Ha Vu <a href="mailto:ha.vu@mq.edu.au">ha.vu@mq.edu.au</a>
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 This unit analyses the structure, functions and operations of the international financial system and its impact on the Australian economy. Student's study the opportunities and risks from different financial products to a well-functioning financial system, which is critical to market-based economic systems. Topics may include international capital flows and balance of payments, analysis of foreign exchange markets and behaviour, corporate management of exchange rate risk, trade finance, international taxation and 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 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.

## General Assessment Information

### Late Assessment Submission Penalty:

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of '0' will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55pm. A 1-hour grace period is provided to students who experience a technical concern. For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to submit an application for [Special Consideration](#).

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#">Individual and Group Discussions</a>	20%	No	Weeks 3, 4, 6, 11 & 12
<a href="#">Online Test</a>	20%	No	Week 8
<a href="#">Essay</a>	20%	No	Week 9
<a href="#">Final examination</a>	40%	No	Exam Period

### Individual and Group Discussions

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

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

Due: **Weeks 3, 4, 6, 11 & 12**

Weighting: **20%**

3 written individual discussions (to be submitted via iLearn throughout the session) and 2 group discussions in the format of group presentation (recorded and submitted via iLearn for marking)

On successful completion you will be able to:

- Analyse the structure, functions and operations of the international financial system.
- Research and engage 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

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

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

Due: **Week 8**

Weighting: **20%**

A test will be held in week 8.

On successful completion you will be able to:

- Analyse the structure, functions and operations of the international financial system.
- Research and engage 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**

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 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: **Exam 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 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

The delivery format of this Unit is as follows:

1. **One hour face-to-face lecture** (on campus) as per timetable. In this hour, we will discuss the first part of each week topic. This lecture is scheduled to be recorded live, and later uploaded into ilearn.
2. **One hour pre-recorded lecture** which will be released (on ECHO360 in ilearn) at the beginning of each week. In this recording, I will discuss the second part of the topic.
3. **One hour tutorial/seminar** which can be in person (on campus) or online (via zoom) depending on your class registration. In the tutorial class we will discuss the practice questions which will be helpful for the online test in Week 8 and the final exam. Students are expected to attend and actively engage in the class. Note that all students are required to attend the class in Week 1, either on campus or online, so that **you will be allocated into a group and get to know your group members for the two group presentations (due in Week 6 and Week 11).**

All materials for the unit, such as the lecture recordings, 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.

## Recommended texts and other resources

Jeff Madura, Ariful Hoque, and Chandrasekhar Krishnamurti, *International Financial Management*, Cengage Learning, either Asia-Pacific edition (2018), or US edition (2021). (Older editions are fine too).

Here is the link to the latest US edition:

<https://au.cengage.com/c/international-financial-management-14e-madura/9780357130544/>

Geert Bekaert and Robert Hodrick, 2014 (2nd edition), *International Financial Management*, Pearson International. ISBN-13: 978-013-284-298-3

Alan C. Shapiro, *Multinational Financial Management* (11th Australia and New Zealand Edition), Wiley. ISBN: 9781119715979

<https://www.wileydirect.com.au/blog/buy/multinational-financial-management-australia-and-new-zealand-edition/>

*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](http://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
1	Topic 1: Multinational firms, and international flows of funds
2	Topic 2: Foreign exchange markets and government intervention
3	Topic 3: International financial markets

4	Topic 4: Currency derivative markets
5	Topic 5: International arbitrage and interest rate parity
6	Topic 6: Relationship between inflation, interest rate, and exchange rate
7	Topic 7: Measurement and management of exchange rate risk
8	<b>Online Test (20%)</b>
9	Topic 7 (cont)
10	Topic 8: Management of long-term assets and liabilities
11	Topic 8 (cont)
12	Topic 8 (cont)
13	Topic 9: Management of short-term assets and liabilities

## 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 [connect.mq.edu.au](http://connect.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 the [Service Connect Portal](#), 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.

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Unit information based on version 2024.05 of the [Handbook](#)