



CIEE Global Institute – Paris

Course name:	International Finance
Course number:	(GI) BUSI 3001 PAFR
Programs offering course:	Paris Open Campus
Open Campus track:	Business
Language of instruction:	English
U.S. semester credits:	3
Contact hours:	45
Term:	Spring 2019

Course Description

This course provides students with an overview of the dynamics of the global financial and international monetary systems. Students develop knowledge of the fundamental concepts needed to understand foreign direct investment, financial flows, international trade and investment deals. As political risk and economic exposure to global events have become more immediate, special attention will be given to the 2007-2012 world banking crisis, the role of central banks in the stabilization of national economies, the European debt crisis, and the specific economic challenges to which France has been exposed. Alternative views and policy measures to help struggling economies overcome the economic and financial crisis – like contracting (or expanding) government spending – as developed by the EU, and the US, accordingly will be assessed and critically analyzed.

Learning Objectives

By the end of the course, students will be able to:

- Understand basic financial concepts and their application to the very intricate web of international economic and financial transactions.
- Discuss the determinants of international financial transactions and their consequences in the present-world economic and financial order.
- Comprehend the decisions made by various agents (governments, multinational corporations, public and private banks) and how these interact in the international financial markets.
- Read and analyze economic and market indicators for a better understanding of the world panorama of economics and finance.
- Apply these indicators and criteria to financial decisions taken within multinational corporations for effective governance.

Course Prerequisites

Previous coursework in microeconomics, macroeconomics and international economics (which should include the basics of international trade) are course prerequisites. This course is not suitable for students with no previous economics classes.



Methods of Instruction

The course will be highly interactive between the instructor and the students. Students are expected to do the required readings before class so they can discuss the material among themselves and with the instructor. PowerPoint presentations, including short video clips, will be used by the instructor to introduce the material required. Students are expected to prepare questions based on their reading and interact thoughtfully in class. The list of online references at the end of the syllabus includes web sites on financial information that should be consulted daily during the course, as finance is a dynamic and changing discipline that needs constant updating; therefore the students will be responsible for checking selected web sites daily for in-class discussion.

Assessment and Final Grade

Written Assignment:	20%
Midterm Exam:	20%
Oral Presentation:	20%
Final Exam:	20%
Participation (incl. online discussions):	20%

Course Requirements

Written Assignments

Students will write one written assignment due at the beginning of Week 4. It should be 1,000 to 1,500 words long and will be undertaken as a newspaper article.

Midterm Exam

This exam will take place at the end of Week 3 and will take the form of short questions and MCQ eventually. Its content is based on the topics studied in class during the past sessions. It aims at measuring the correct understanding of key concepts: definitions, mechanisms, institutions, theories.

Oral Presentation

Each student will choose a topic on international finance from a list of possible case studies provided by the instructor on the first day of class. The presentation should be accompanied by a PowerPoint slideshow. It should not exceed 15 minutes and will be followed by a Q&A session. To be successful, this assignment should use examples from real life in the domains of finance or trade. Specifics as to what is expected and on the structure of the presentation are provided in the Assignments section.

Final Exam



Students will take a final exam at the end of the course. The exam will be based upon a set of documents and a general question. The answer will be in the form of an essay (approximately 1,500 words in length).

Class Participation

Participation is valued as meaningful contribution in the digital and tangible classroom, utilizing the resources and materials presented to students as part of the course.

Meaningful contribution requires students to be prepared in advance of each class session and to have regular attendance. Students must clearly demonstrate they have engaged with the materials as directed, for example, through classroom discussions, online discussion boards, peer-to-peer feedback (after presentations), interaction with guest speakers, and attentiveness on co-curricular and outside-of-classroom activities.

An important aspect of participation comes from online discussions. See the Assignments section to know more precisely what is expected of these weekly online discussions on Canvas, based on a document posted by the professor every week and opened to your comments.

Attendance and Punctuality

Regular class attendance is required throughout the program, and all unexcused absences* will result in a *lower participation grade* for any affected CIEE course. Due to the intensive schedules for Open Campus and Short Term programs, unexcused absences that constitute more than 10% of the total course will result in a written warning.

*Students who transfer from one CIEE class to another during the add/drop period will not be considered absent from the first session(s) of their new class, provided they were marked present for the first session(s) of their original class. Otherwise, the absence(s) from the original class carry over to the new class and count against the grade in that class.

For CIEE classes, *excessively tardy (over 15 minutes late) students will be marked absent. Attendance policies also apply to any required co-curricular class excursion or event*, as well as to Internship, Service Learning, or required field placement.*

*With the exception that some class excursions cannot accommodate any tardiness, and students risk being marked as absent if they fail to be present at the appointed time.

Students who miss class for personal travel, including unforeseen delays that arise as a result of personal travel, will be marked as absent and unexcused. *No make-up or re-sit opportunity will be provided.*

An absence in a CIEE course will only be considered excused if:

- a doctor's note is provided
- a CIEE staff member verifies that the student was too ill to attend class
- satisfactory evidence is provided of a family emergency



Unexcused absences will lead to the following penalties:

<i>Percentage of Total Course Hours Missed</i>	<i>Equivalent Number of Open Campus Semester classes</i>	<i>Minimum Penalty</i>
Up to 10%	1	Reduction of participation grade
10 – 20%	2	Reduction of participation grade; written warning
More than 20%	3 content classes, or 4 language classes	Automatic course failure, and possible expulsion

Weekly Schedule

NOTE: this schedule is subject to change at the discretion of the instructor to take advantage of current experiential learning opportunities.

Week 1 Introduction

Session 1 – Introduction to the course:

Syllabus will be presented and reviewed, with emphasis on assessment methods and course requirements.

A short history of banks and money.

Week 2 International Exchange Markets

Throughout this week students will learn the fundamentals of foreign exchange markets: from the record of economic transactions between the residents of the country and the rest of the world in a particular period (the balance of payments) to the functioning of financial and currencies as well as commodities markets.

Session 1 – An introduction to international finance.

Presentation of the framework of IF and IF institutions (IMF and BIS).

Session 2 – From the balance of payments to the supply chain value: how to assess international trade.



Session 3 - Direct foreign investment and capital flows in corporate finance, the FOREX and commodities.

Trade agreements and finance.

Week 3 Central banking and international finance

After examining how the two most prominent players operate, students will examine the fixing of interest rates and its effects on investment strategies.

Session 1 – The FED and the ECB, policies and monetary tools

Session 2 – The Tech monetary revolution : dark pools, Fintech and the Bitcoin

Session 3 – [Midterm exam](#)

Week 4 Financial Risk Management

Risk is key to any financial activities, so this week's focus will be on how to assess risks and to manage solutions to avoid them.

Session 1 – Hedging strategies against risk exposure and portfolio choices.

[Written assignment due](#)

Session 2 – Exchange rates and Forex: monetary policy in the context of international trade.

Session 3 – Measuring a country's risk level in emerging countries (Guest Speaker in cooperation with the Unit of Economics Analysis of the Société Générale Paris).

Week 5 Decision-Making Strategies in International Finance

This week students will become acquainted with the strategic decisions regarding short- and long-term investments, in terms of portfolio as well as foreign direct investments. An international overview of the policies of central banks will help students to identify the differences among countries or regions and to understand why those differences exist.

Session 1 – Market trends, challenges for the future of finance

Session 2 – Corporate finance, between debt and investment

Session 3 – Guest speaker (to be confirmed)



Week 6 Regulation and Supervision

Session 1 – Regulation in the Aftermath of the GFC

Session 2 – **Final exam**

Session 3 – Conclusion

Course Materials

Bibliography - General References

Galbraith, J.K. *The End of Normal: The Great Crisis and the Future of Growth*. Simon & Schuster, 2014.

Graeber, D. *Debt, the first 5000 years*. Melville House, 2014 (2nd edition).

Grath, A. *The Handbook of International Trade and Finance*. Philadelphia, PA, Koganpage Publishers, 2013.

King, M. *The End of Alchemy: Money, Banking, and the Future of the Global Economy*. W. W. Norton & Company, 2016.

Krugman, P., Obstfeld, M., Melitz, M., *International Economics: Theory and Policy*. Pearson Addison-Wesley, 2011.

Lewis, Michael. *The Big Short*. New York: W. W. Norton & Company, 2010.

Lewis, Michael. *Flash Boys*. New York: W. W. Norton & Company, 2014.

Madura, J. *International Financial Management*. Canada, Cengage, 2010.

Mallaby, S. *More Money Than God: Hedge Funds and the Making of the New Elite*. Bloomsbury Publishing PLC, 2011 .

Martin, F. *Money, the Unauthorized Biography*. Vintage, 2014.

Reinhart C., Rogoff D. *This time is different*. Princeton University Press, 2011.

Taleb, N. *Fooled by Randomness: The Hidden Role of Chance in Life and in the Markets*. 2007.

_____. *The Black Swan*. Second Edition: *The Impact of the Highly Improbable: With a new section: "On Robustness and Fragility"*. Random House Trade Paperbacks, 2010.



Turner, A. *Between Debt and the Devil – Money, Credit, and Fixing Global Finance*. Princeton University Press, 2015.

Online Resources

Many websites are devoted totally or partially to finance in an international context. Consulting these sites may prove of high interest to be well informed, to feed research papers and to gather some insights on the various topics you will have to study. The following websites do represent a short but useful collection of references—not an exhaustive one.

<http://www.centerforfinancialstability.org/research.php>

Not well-known but interesting.

<https://www.weforum.org/agenda/2016/11/10-must-read-economics-stories-of-the-week-b06d76b7-7215-4c75-904e-6955fe6884aa> and more generally <https://www.weforum.org/>
<https://www.project-syndicate.org/business-finance>

Also, do not forget to check the other sections available on that site.

<https://www.ft.com/> is one of the most useful newspapers on our topic.

<https://www.brookings.edu/> provides a range of reports, podcasts and other papers.

<https://www.bis.org/> is one of our prime sources of investigative papers.

<http://www.imf.org/external/index.htm> Obviously!

Some online documents are worth checking (for presentations particularly):

- World Investment Report 2017 (http://unctad.org/en/PublicationsLibrary/wir2017_en.pdf)
- The BIS Quarterly Review for September 2017: Strong outlook with low inflation spurs risk-taking (https://www.bis.org/publ/qtrpdf/r_qt1709.htm)
- The Financial Regulatory Reform Agenda in 2017 (<https://www.hbs.edu/faculty/initiatives/behavioral-finance-and-financial-stability/Documents/2017-09%20The%20Financial%20Regulatory%20Reform%20Agenda%20in%202017.pdf>)
- “9 Points to Guide Your Investments in 2018” (<https://www.nytimes.com/2018/01/17/business/investing-in-2018.html>)



- World Economic Outlook Update, January 2018, Brighter Prospects, Optimistic Markets, Challenges Ahead (<https://www.imf.org/en/Publications/WEO/Issues/2018/01/11/world-economic-outlook-update-january-2018>)
- Virtual Currencies and Beyond: Initial Considerations (<https://www.imf.org/external/pubs/ft/sdn/2016/sdn1603.pdf>)

Academic Integrity

CIEE subscribes to standard U.S. norms requiring that students exhibit the highest standards regarding academic honesty. Cheating and plagiarism in any course assignment or exam will not be tolerated and may result in a student failing the course or being expelled from the program. Standards of honesty and norms governing originality of work differ significantly from country to country. We expect students to adhere to both the U.S. American norms and the local norms, and in the case of conflict between the two, the more stringent of the two will prevail.

Three important principles are considered when defining and demanding academic honesty. These are related to *the fundamental tenet that one should not present the work of another person as one's own.*

The first principle is that *final examinations, quizzes and other tests must be done without assistance from another person, without looking at or otherwise consulting the work of another person, and without access to notes, books, or other pertinent information* (unless the professor has explicitly announced that a particular test is to be taken on an “open book” basis).

The second principle applies specifically to course work: *the same written paper may not be submitted in more than one course. Nor may a paper submitted at another educational institution be submitted to satisfy a paper requirement while studying abroad.*

The third principle is that *any use of the work of another person must be documented in any written papers, oral presentations, or other assignments carried out in connection with a course. This usually is done when quoting directly from another's work or including information told to you by another person* (the general rule in U.S. higher education is that if you have to look something up, or if you learned it recently either by reading or hearing something, you have to document it).

There are three levels of escalation establishing the seriousness of the plagiarism in question.

- **Level one plagiarism:** minor or unintentional plagiarism; leading to passable grade/failing grade on the assignment, depending on perspective of lecturer. No opportunity for resubmission.



- **Level two plagiarism:** significant plagiarism, but potentially due to poor referencing rather than intellectual property theft. This leads to a failing grade (potentially zero points) on the assignment. No opportunity for resubmission.
- **Level three plagiarism:** significant plagiarism, requiring investigation by the Center/Resident/Academic Director, and subsequent disciplinary panel.

Faculty will report any suspected circumstances of plagiarism to the Center/Resident/Academic Director immediately. Faculty can, if they deem it appropriate, require students to submit the Plagiarism Declaration Form (Appendix D) with each assignment as it is submitted.

In any case where Academic Honesty is in question while the student is still onsite at the program, and will impact the grade for the assignment in question, the CIEE Academic Honesty form (Appendix E) will be completed by the Center/Resident/Academic Director, signed by the professor, delivered to the student for signature and added to the student's permanent records. For any Level three violation, or repeated lower level violation, the Center/Resident/Academic Director will inform the student's home institution of the infraction and subsequent penalty.