

SYLLABUS: FINA 6330 – INTERNATIONAL FINANCE

Catalog Description: A comprehensive study of international financial markets that covers currency exchange mechanisms in theory and practice, including international monetary systems; offshore financial markets; and currency risk management, including interest rate and currency futures, options, and swaps.

Prerequisite(s): FINA 6320 or equivalent

Course Objectives: After this class the student should have an understanding of:

Theories and practices of international finance.

Application of Excel for quantitative analysis.

Current Textbook: Textbook and/or selected readings and other materials are the responsibility of the instructor of record and will be specified on a semester-by-semester basis in the course syllabus.

Evaluation Process: Evaluation is the responsibility of the instructor of record and will be specified on a semester-by-semester basis in the course syllabus.

Required Course Content:

- Spot market for currency
- Political issues: central bank influence on exchange rates
- Political issues: exchange rate mechanisms
- Ethical issues in currency exchange markets
- Arbitrage in the spot and forward currency markets
- Forward market for currency
- Economic parity relationships in the global monetary system
- Theory of equilibrium exchange rates
- Currency and interest rate swaps
- Basics of currency futures and options contracts
- Hedging exchange rate risk with futures and options contracts
- Regulation of hedging exchange rate risk with derivatives

Optional Course Content:

- Exchange rate forecasting
- Global fixed-income security market: links between global interest rates and currency exchange rates

Course Curriculum Coordinator: Dr. Wei He