

ECON 3014 INTERNATIONAL FINANCE

Credit Points 10

Legacy Code 200055

Coordinator Kevin Daly ([https://directory.westernsydney.edu.au/search/name/Kevin Daly/](https://directory.westernsydney.edu.au/search/name/Kevin%20Daly/))

Description The study of international finance from the vantage point of a multinational enterprise provides students with a global insight into international trade for both manufactured and financial products. The unit recognises the increasing importance of global integration of money and capital markets - a trend that is creating expanded opportunities for both investors and organisations that need to raise capital. The recognition and management of risks associated with international operations are explored including cost of capital and financial structure, international financial markets crisis, international financial management, international monetary system, international diversification, foreign exchange risk management including the use of futures and options, foreign investment analysis, determination of exchange rates, balance of payments analysis, international debt crisis and country risk analysis.

School Business

Discipline Economics

Student Contribution Band HECS Band 4 10cp

Check your HECS Band contribution amount via the Fees (https://www.westernsydney.edu.au/currentstudents/current_students/fees/) page.

Level Undergraduate Level 3 subject

Pre-requisite(s) ECON 2002

Learning Outcomes

On successful completion of this subject, students should be able to:

1. Explain the key financial products operating in the international and domestic financial markets;
2. Analyse the theoretical relationships between spot and forward rates, interest rates and inflation and industry best practice for managing currency and interest rate risk, with a view towards integrating risk management;
3. Classify international investment decisions at the portfolio and project level and examine the different ways of financing or investing, in foreign or domestic operations, the use of debt or equity for funding, and the use of derivative products for risk management;
4. Identify political or country risk issues and the implications arising from the interaction of investment and financing decisions and analyse macroeconomic issues regarding foreign direct investment, international portfolio theory and country risk;
5. Describe the functionality of an Australian multinational corporation and assess how it can take advantage of lower capital costs by being in the international capital market.

Subject Content

- Models of exchange rate determination and Balance of payments
- foreign exchange Risk and management
- The Eurocurrency market
- Parity and market efficiency

- Multinational Corporations ? foreign direct investment
- short-term and long-term international financing
- international banking
- financial Crisis management
- Country Risk management
- case studies

Assessment

The following table summarises the standard assessment tasks for this subject. Please note this is a guide only. Assessment tasks are regularly updated, where there is a difference your Learning Guide takes precedence.

Item	Length	Percent	Threshold	Individual/Group Task
Presentation	10 minutes	10	N	Individual
Multiple Choice	90 minutes	30	N	Individual
Numerical Problem Solving	2 hours	60	N	Individual

Prescribed Texts

- Eiteman, D.K, Stonehill, A.I. & Mofett, M.H (2016) Multinational Business Finance (14e), Global Edition.

Teaching Periods

Sydney City Campus - Term 1

Sydney City

Day

Subject Contact Neelam Goela ([https://directory.westernsydney.edu.au/search/name/Neelam Goela/](https://directory.westernsydney.edu.au/search/name/Neelam%20Goela/))

View timetable (https://classregistration.westernsydney.edu.au/even/timetable/?subject_code=ECON3014_22-SC1_SC_D#subjects)

UEH-Session 1

Vietnam

Day

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UEH-Session 2

Vietnam

Day

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Spring

Online

Online

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Parramatta City - Macquarie St

Evening

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Day

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Sydney City Campus - Term 3

Sydney City

Day

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