

**City University of Hong Kong
Course Syllabus**

**offered by Department of Economics and Finance
with effect from Semester A 2024/25**

Part I Course Overview

Course Title:	International Financial Management
Course Code:	EF5143
Course Duration:	1 semester
Credit Units:	3
Level:	P5
Medium of Instruction:	English
Medium of Assessment:	English
Prerequisites: <i>(Course Code and Title)</i>	Nil
Precursors: <i>(Course Code and Title)</i>	EF5042 Corporate Finance and EF5050 Derivatives and Risk Management
Equivalent Courses: <i>(Course Code and Title)</i>	Nil
Exclusive Courses: <i>(Course Code and Title)</i>	Nil

Part II Course Details

1. Abstract

This course aims to provide a framework for analysing financial decisions relating to international risk management, financing, and investment. These are decisions faced by chief financial officers (CFOs) who aim to maximize firm value, and by investment bankers, analysts or fund managers who aim to determine the value of the firm given its financial decisions. The course also aims to enable students to apply the international framework to understanding issues and solving problems in real-world settings independently.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Explain the impact of the international environment on firm value and propose managerial actions to take advantage of opportunities and avoid the costs of adverse market conditions.	20%	√	√	√
2.	Describe the impact of the firm's risk management policy on firm value and construct appropriate hedging policies under different scenarios.	30%	√	√	√
3.	Demonstrate the impact of the firm's financing policy on firm value and design the optimal financing policy in the international framework.	15%	√	√	√
4.	Explain the impact of international tax laws on firm value and choose optimal policies to minimize the tax burden in an international setting.	10%	√	√	√
5.	Describe the impact of foreign direct investment on firm value.	10%	√	√	√
6.	Justify international portfolio investment decisions and design optimal investment strategies for firms under different scenarios.	15%	√	√	√
		100%			

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Learning and Teaching Activities (LTAs)

(LTAs designed to facilitate students' achievement of the CILOs.)

LTA	Brief Description	CILO No.						Hours/week (if applicable)
		1	2	3	4	5	6	
Lectures	Students will engage in lectures and think critically and logically by responding to in-class questions and solving the problem sets..	√	√	√	√	√	√	
In-class discussion	Students will engage in discussions to enhance communication and critical thinking skills and develop their creative and innovative abilities.	√	√	√	√	√	√	

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.						Weighting	Remarks
	1	2	3	4	5	6		
Continuous Assessment: 50%								
Coursework (in-class discussion, problem sets, essays, etc.)	√	√	√	√	√	√	50%	
Examination: 50% (duration: 3 hours)								
							100%	

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
Problem sets	Ability to solve and analyse in-class or take-home exercises on course materials	Demonstrate in-depth understanding of course materials	Demonstrate good understanding of course materials	Demonstrate reasonable understanding of course materials	Demonstrate some understanding of course materials	Barely able to demonstrate an understanding of course materials
Essays	Analysis and presentation skills	Excellent analysis and presentation skills to demonstrate in-depth understanding of the role of foreign exchange rates in banking, business or policy decisions	Good analysis and presentation skills to demonstrate good understanding of the role of foreign exchange rates in banking, business or policy decisions	Reasonable analysis and presentation skills to demonstrate reasonable understanding of the role of foreign exchange rates in banking, business or policy decisions	Marginally acceptable analysis and presentation skills to demonstrate some understanding of the role of foreign exchange rates in banking, business or policy decisions	Poor analysis and presentation skills and is barely able to demonstrate an understanding of the role of foreign exchange rates in banking, business or policy decisions
Final Exam	Mastery of course materials	Demonstrate in-depth understanding of course materials	Demonstrate good understanding of course materials	Demonstrate reasonable understanding of course materials	Demonstrate some understanding of course materials	Barely able to demonstrate an understanding of course materials

Applicable to students admitted from Semester A 2022/23 to Summer Term 2024

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
Problem sets	Ability to solve and analyse in-class or take-home exercises on course materials	Demonstrate in-depth understanding of course materials	Demonstrate good understanding of course materials	Demonstrate some understanding of course materials	Barely able to demonstrate an understanding of course materials
Essays	Analysis and presentation skills	Excellent analysis and presentation skills to demonstrate in-depth understanding of the role of foreign exchange rates in banking, business or policy decisions	Good analysis and presentation skills to demonstrate good understanding of the role of foreign exchange rates in banking, business or policy decisions	Marginally acceptable analysis and presentation skills to demonstrate some understanding of the role of foreign exchange rates in banking, business or policy decisions	Poor analysis and presentation skills and is barely able to demonstrate an understanding of the role of foreign exchange rates in banking, business or policy decisions
Final Exam	Mastery of course materials	Demonstrate in-depth understanding of course materials	Demonstrate good understanding of course materials	Demonstrate some understanding of course materials	Barely able to demonstrate an understanding of course materials

Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

(An indication of the key topics of the course.)

The institutional framework; Spot markets; Arbitrage; Forward contracts and forward rates; Other foreign exchange contracts; Exchange rate determination theories; Capital market models; Exposure measurement and management; Hedging; International tax and cash management; Investment project analysis; International company valuation; Foreign direct investment decisions; International portfolio investment decisions

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

1.	Eun & Resnick, <i>International Financial Management</i> (McGraw-Hill), latest edition
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2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)

1.	Krugman, P., Obstfeld, M. and Melitz, M., <i>International Economics: Theory and Policy</i> (Pearson Higher Education), latest edition.
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