



## **Faculty of Service Industries**

### **Prince of Songkla University, Phuket Campus**

#### **Course Syllabus**

#### **817-304 International Finance**

**Subject Credit:** 3 (3 – 0 – 0)

**Prerequisites:** None

#### **Course Description:**

Discusses the topics in international finance, including both economic and management aspect of international finance such as exchange rate determination, impacts of monetary and fiscal policy, type of exchange rate regimes, currency arbitrage and derivative.




#### **Course Objective:**

The course aims to provide fundamental knowledge that is required for multinational employed graduates. Equipped with the above mentioned fundamental background, we then proceed to work with theoretical models. This includes exchange rate determination, market-driven exchange rates and interest rates, international parities and details on the balance of payments, choices of exchange rate regimes and managing exchange rate risk. Another underlying objective is to facilitate students who wish to explore academic research or pursue further study in the field of international finance.

#### **Lecturer's Contact Details:**

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## Course Outline

| Week                 | Topic   | Assignment   |
|----------------------|---|--|
| 1                    | Globalization and International Finances              | -  |
| 2                    | Foreign exchange rate and global financial market     | In-class assignment<br>       |
| 3 - 4                | National Income accounting and the Balance of Payment | Case analysis  |
| 5-6                  | IS-LM model and the application of IS-LM model        | Graph construction   |
| 7-8                  | Mundell-Flamming model                                | Graph construction + Current policy analysis   |
| Mid-term examination |   |  |
| 9                    | Exchange rate determination (overview)                |  |
| 10                   | Mathematics of Finance (review)                       | In class assignment  |
| 11                   | International Financial Market                        | Assignment   |
| 12                   | Exchange rate risk                                    |  |
| 13                   | Currency derivatives                                  | Application of the case<br> |
| 14                   | International Arbitrage and Interest rate parity      |  |
| 15                   | Currency Value at risk                                | Case analysis               |
| Final examination    |   |  |

### Assessment Details:

#### *Assessment Structure*

| <i>Items</i>                       | <i>Per Cent</i> |
|------------------------------------|-----------------|
| Case Studies and Assignments       | 10              |
| Class Attendance and Participation | 5               |
| Individual Project                 | 10              |
| Mid-term examination               | 35              |
| Final Examination                  | 40              |
| Total                              | 100             |

### ***Grading Criteria***

To effectively measure the student's performance in relative to the class performance, the student's distribution (t score) system to assess student's total semester's mark.

### **Pre- and Post-class reading**

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Students are expected to read and understand topics that will be discussed in the following session, and they are encouraged to read relevant articles found in journals, and newspapers as questions will be related to such topics and/or articles might be occasionally asked in the class as well as examination. In order to ensure the practicability of the theories, students are expected to have the sufficient knowledge and significantly aware the latest business finance development issue(s) since these mentioned issue(s) will be exemplified in the class.

### **Assignment and Examination**

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Mid-term exam paper covers the discussed topics during 1<sup>st</sup> weeks till 8<sup>th</sup> weeks. Since the characteristic of final exam is being set as comprehensive type, almost all topics will be included in the final exam. There is no make up or special arranged schedule in-class quiz, mid-term exam, or final exam, unless quantifiable legitimate reason(s) is (are) being sufficiently provided. Students must complete the assignment(s) and submit it (them) on time, for those who fail to submit, or behind the submission schedule will be charged with penalty, as well as the students who duplicate his or her friend assignment(s).

### **Class attendance**

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The 20% absence is the maximum number of allowable absences. It is inclusive for all excuses, i.e., sickness, personal and family matters, business trips, and other personal reasons. It is therefore, the student's primary responsibility to determine the necessity and ascertain the number of times of their absences. For a 3-credit hour subject, with one-and- and with 3 hours class, they can be absent 3 times. It is always desirable for students to reserve at least 2 allowable absences for some unanticipated situations, i.e. sickness or business trips that might result in their absences. Generally speaking, as they have paid tuition fees for 45-hour class (for 3-credit hour subject), students should not be missing any classes in order to obtain maximum value for what they have paid for.

### **Dress Code Regulation for Class**

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Students are required to wear proper attire in their classroom. Students wearing the following items will not be allowed to check their class attendance: Trousers and skirts made of jeans, corduroy, or velvet materials, or made in "jeans design." Student who wears slippers, shirts / blouses in which the edges are not tucked inside trousers or skirts is intolerance

**Prescribed and supplementary textbooks:**

Copeland L. S.(2000), **Exchange rate and International Finance**, Pearson

Colander, D. and Gamber, E. (2002), **Macroeconomics**, Prentice Hall

Jeff Madura (6<sup>th</sup> edition), **International Financial Management**, South western

Keown, A./Scott, D./Martin, J.and Petty, J. (2005), **Financial Management: Principles and application**, Prentice Hall

Krugmen P./ Obstfeld M. (2003), **International Economics: theory and policy** , Addison Wesley

Michael R. Rosenberg (2003), **Exchange rate determination** , Thompson

