# SYLLABUS 2026-2027

International Finance

## MODULE SPECIFICATION

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| **Module Code** | 2627_DFC_1_EN_011 |
| **Campus** | Oxford |
| **Department(s)** | Law, Finance and Control |
| **Level / Semester** | Undergraduate Year 2 (U2); Equivalent to FHEQ level 6<br>Semester 03 |
| **Language of Instruction** | English |
| **Teaching Method** | ☒ In-person (face-to-face)<br>☐ Distance learning (live online)<br>☐ e-Learning (asynchronous)<br>☐ Hybrid: ______________________________ |
| **Pre-requisite(s)?** | 1. Introductory undergraduate module in financial accounting and financial statement analysis<br>2. Be familiar with basic business and economic concepts<br>3. Be able to read and interpret simple financial statements and understand fundamental notions (e.g. interest rates, inflation, market supply and demand) |
| **ECTS**<br>*Reminder: 1 ECTS = between 20 and 30hr- student workload* | 4 |
| **Equivalent FHEQ credits** | 8 |
| **Study Hours** | 100 hours which comprise of 28 directed learning and 72 independent learning/assessment hours |

## MODULE DESCRIPTION

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| **Module Aims** | The module introduces undergraduate students to the fundamentals of international finance and the financial environment in which multinational firms operate. It focuses on exchange-rate systems, foreign exchange risk, international financing options, and the role of global financial institutions. Through practical applications and simple real-world cases, students learn how currency movements, country risk, and global capital markets influence international businesses and investment decisions, without using advanced financial modelling. |
| **Teaching Arrangement** | This module adopts an applied, student-centred and case-based learning approach. Core concepts in international finance are introduced through short lectures and are immediately reinforced through guided applications, real-world examples, and mini-cases drawn from current international business and financial contexts.<br><br>Students actively engage with publicly available data and institutional sources (IMF, World Bank, BIS) and work collaboratively on a group project to analyse international financial environments and financing decisions. The pedagogical approach emphasises conceptual understanding, critical thinking, and professional communication skills, while deliberately avoiding advanced financial modelling and technical calculations in order to remain accessible to second-year undergraduate students. |
| **Learning Outcomes** | By the end of this module, students should be able to:<br>1. Explain the functioning of international financial markets, exchange-rate systems, and global financial institutions<br>2. Apply basic international finance concepts (FX exposure, exchange-rate movements, international financing options) to simple real-world examples, and analyse the implications of exchange-rate movements and country-level macroeconomic data for multinational firms' decisions<br>3. Evaluate alternative financing strategies for multinational firms and justify recommendations using qualitative evidence<br>4. Communicate financial insights clearly and collaborate effectively in team-based cased studies |
| **Competency Goals**<br>*(Knowledge, expertise and interpersonal skills)* | PGE_U_CG07 - Students will have a global and sustainable performance mindset |
| **Alignment with Programme Learning Goals** | PGE_U_CG07_LO05 - To use sector-specific or functional expertise and competencies to enhance individual and/or team performance |

*Last reviewed: 23/09/2026*

## SESSION TOPICS / MODULE SCHEDULE

*(Please note, a session/sequence may be more than one scheduled class)*

Session 1: Introduction to International Finance and Global Financial Markets

*Content:*

- Part 1 – Module Introduction
  - Presentation of the module, learning outcomes, and assessment
  - Quick diagnostic quiz/discussion:
    - "What do you already know about international finance?"
    - Why international finance matters for firms and careers
- Part 2 – Global Financial Markets: Actors, Instruments, & Flows
  - Domestic vs. international finance
  - Overview of global financial markets
  - Foreign exchange (FX) markets
  - International bond markets (Eurobonds, foreign bonds)
  - International equity and cross-border banking
  - Main actors: multinational firms, banks, institutional investors, central banks

*References:*

- Required reading:
  - Eiteman, D. K., Stonehill, A. I. and Moffett, M. H. (2024) *Multinational business finance.* 16th edn. Harlow, United Kingdom: Pearson (Chapter 2)
  - Madura, J. (2020) *International financial management*. 14th edn. Cengage. (Chapter 1)
- Recommended reading:
  - Hill, C. W. L. (2021) *International business: Competing in the global marketplace*. 13th edn. McGraw-Hill. (Chapter 12)
  - BIS (2026) *International debt securities (BIS-compiled)*. Available at: https://data.bis.org/topics/IDS.

*Assignments:*

- Application: "What are international bonds?" (simple explainer)
  - CFI (2020) *International bonds: Bonds that are not domestic for the investor*. Available at: https://corporatefinanceinstitute.com/resources/fixed-income/international-bonds/.
    - Read the page and identify the following:
      - 1. What makes a bond "international"?
      - 2. Why firms issue bonds outside their home country
- Mini-case: "Why do firms issue Eurobonds?"
  - Euroclear (2024) *Understanding Eurobonds: A financial history journey*. Available at: https://www.euroclear.com/newsandinsights/en/Format/Articles/understanding-eurobonds-a-financial-history-journey.html.
    - From this article, list reasons why a multinational might prefer Eurobonds to a purely domestic bond issue

Session 2: Exchange Rates and Exchange-Rate Systems

*Content:*

- What is an exchange rate?
- Spot vs. basic idea of forward (only conceptually)

- Fixed vs. floating exchange-rate regimes
- Intuitive view of why exchange rates move (supply/demand, macro factors)

*References:*

- Required readings:
    - Eiteman, D. K., Stonehill, A. I. and Moffett, M. H. (2024) *Multinational business finance.* 16th edn. Harlow, United Kingdom: Pearson (Chapters 5, 6, & 9)
    - Krugman, P. R., Obstfeld, M. and Melitz, M. (2022) *International economics: theory and policy*. 12th edn. Pearson. (Chapter 14)
- Recommended readings:
    - Madura, J. (2020) *International financial management*. 14th edn. Cengage. (Chapter 4)
    - Bank of England (2020) *Who sets exchange rates?* Available at: https://www.bankofengland.co.uk/explainers/who-sets-exchange-rates.

*Assignments:*

- Application: "What is an exchange rate and why does it move?"
    - CFI (2020) *Exchange rate.* Available at: https://corporatefinanceinstitute.com/resources/economics/exchange-rate/.
        - Highlight the following:
            - Definition of an exchange rate
            - 2-3 key factors that influence exchange rates (interest rates, inflation, etc.)
- Mini-case: "Who sets exchange rates?" (FX regimes and market forces)
    - Bank of England (2020) *Who sets exchange rates?* Available at: https://www.bankofengland.co.uk/explainers/who-sets-exchange-rates.
        - In small groups, answer the following:
            - In a floating system, who actually "sets" the exchange rate?
            - How do supply and demand for currencies appear in everyday situations (trade, tourism, investing)?

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<u>Session 3: FX Risk I – Transaction and Translation Exposure</u>

*Content:*

- Transaction exposure: when cash flows are in foreign currency (imports/exports)
- Translation exposure: when foreign subsidiaries' accounts are converted into the group reporting currency
- Economic exposure: long-term competitiveness (purely qualitative)

*References:*

- Required reading:
    - Eiteman, D. K., Stonehill, A. I. and Moffett, M. H. (2024) *Multinational business finance.* 16th edn. Harlow, United Kingdom: Pearson (Chapter 11)
    - Madura, J. (2020) *International financial management*. 14th edn. Cengage. (Chapter 10)
- Recommended reading:
    - Shapiro, A. C. and Hanouna, P. (2019) *Multinational financial management*. 11th edn. Wiley.
    - British Business Bank (n.d.) *What is foreign exchange risk?* Available at: https://www.british-business-bank.co.uk/business-guidance/guidance-

articles/finance/what-is-foreign-exchange-risk.

*Assignments:*

- Application: intro to FX risk types in business language:
    - https://www.british-business-bank.co.uk/business-guidance/guidance-articles/finance/what-is-foreign-exchange-risk.
        - Identify from the article:
            - The three types of FX risk
            - One simple real-world example for each risk
- Mini-case: “How could FX affect a typical UK/European SME?”
    - https://www.british-business-bank.co.uk/business-guidance/guidance-articles/finance/what-is-foreign-exchange-risk.
        - Imagine a small exporter/importer and answer:
            - 1. What is their transaction exposure?
            - 2. Would they have translation exposure yet? Why/why not?

<u>Session 4: FX Risk II – Volatility and Competitiveness</u>

*Content:*

- How persistent currency appreciation/depreciation can change competitiveness
- How multinationals with costs in one currency and revenues in another are impacted
- Idea of natural hedging (matching costs and revenues by currency)

*References:*

- Required reading:
    - Eiteman, D. K., Stonehill, A. I. and Moffett, M. H. (2024) *Multinational business finance.* 16th edn. Harlow, United Kingdom: Pearson (Chapter 12)
    - Hill, C. W. L. (2021) *International business: Competing in the global marketplace*. 13th edn. McGraw-Hill. (Chapter 10)
- Recommended reading:
    - Madura, J. (2020) *International financial management*. 14th edn. Cengage. (Chapter 12)
    - CFI (2020) *Foreign exchange risk.* Available at: https://corporatefinanceinstitute.com/resources/foreign-exchange/foreign-exchange-risk/.

*Assignments:*

- Application: how companies think about FX risk
    - CFI (2020) *Foreign exchange risk.* Available at: https://corporatefinanceinstitute.com/resources/foreign-exchange/foreign-exchange-risk/.
        - Revisit transaction/translation/economic exposure
        - Extract one example for economic exposure from the article and explain it in your own words
- Mini-case: “How does Airbus deal with currency risk?”
    - Airbus (2026) *Investors: Hedging & debt information.* Available at: https://www.airbus.com/en/investors/hedging-debt-information.
        - Guided questions:
            - 1. Which currency is Airbus mainly exposed to?
            - 2. What is meant by a “hedge portfolio”?

- 3. Why does Airbus say it does not speculate on currencies?
  - Focus on vocabulary and logic, no need to go into instruments/option pricing

Session 5: International Financing Options for Multinational Firms

*Content:*

- International bonds recap: Eurobonds vs. foreign bonds
- Choice of currency denomination
- High-level view of investors' perspective and global markets (no pricing)

*References:*

- Required reading:
  - Eiteman, D. K., Stonehill, A. I. and Moffett, M. H. (2024) *Multinational business finance.* 16th edn. Harlow, United Kingdom: Pearson (Chapter 13)
  - Madura, J. (2020) *International financial management*. 14th edn. Cengage. (Chapter 17)
  - CFI (2020) *International bonds: Bonds that are not domestic for the investor*. Available at: https://corporatefinanceinstitute.com/resources/fixed-income/international-bonds/.
- Recommended reading:
  - Euroclear (2024) *Understanding Eurobonds: A financial history journey*. Available at: https://www.euroclear.com/newsandinsights/en/Format/Articles/understanding-eurobonds-a-financial-history-journey.html.
  - Hill, C. W. L. (2021) *International business: Competing in the global marketplace*. 13th edn. McGraw-Hill. (Chapter 5)

*Assignments:*

- Application: international bonds and Eurobonds recap
  - CFI (2020) *International bonds: Bonds that are not domestic for the investor*. Available at: https://corporatefinanceinstitute.com/resources/fixed-income/international-bonds/.
    - Summarise in 5 bullet points: what distinguishes domestic, foreign, and Eurobonds?
- Mini-case: "Why issue debt internationally?"
  - BIS (2026) *International debt securities (BIS-compiled)*. Available at: https://data.bis.org/topics/IDS.
    - Discuss:
      - International debt securities – borrowing in markets outside the borrower's home market
      - Why might a firm tap these markets instead of borrowing only at home? What are potential FX implications?

Session 6: International Financial Institutions

*Content:*

- IMF: surveillance, lending, policy advice, crisis assistance
- World Bank: development finance and long-term projects
- How these institutions indirectly affect firms (through country risk, stability, reforms)

*References:*

- Required reading:
  - International Money Fund (n.d.) *About the IMF*. Available at:

        - https://www.imf.org/en/about.
    - World Bank Group (n.d.) *What we do*. Available at: https://www.worldbank.org/ext/en/what-we-do.
- Recommended reading:
    - Carbaugh, R. (2022) *International economics*. 18th edn. Cengage.

*Assignments:*

- Application: “What is the IMF?” (institutional awareness)
    - International Money Fund (n.d.) *About the IMF*. Available at: https://www.imf.org/en/about.
        - Identify:
            - 1. Three key missions of IMF
            - 2. In which situations the IMF typically intervenes
- Mini-case: “How does IMF lending work in a crisis?”
    - International Money Fund (2025) *IMF lending*. Available at: https://www.imf.org/en/about/factsheets/imf-lending.
        - Prompt in class:
            - Under what conditions can a country receive IMF financial assistance?
            - How might IMF involvement change the risk perception of international investors?

<u>Session 7: Integrative Case and Group Project</u>

*Content:*

- Bringing together:
    - FX environment
    - FX risk types
    - International financing options
    - Role of international institutions and country risk
- How a multinational decides: where to invest? In which currency to borrow?

*References:*

- Required reading:
    - World Bank Group (n.d.) *Countries and economies*. Available at: https://data.worldbank.org/country.
    - International Money Fund (n.d.) *IMF data*. Available at: https://www.imf.org/en/data.
- Recommended reading:
    - Credendo (2026) *Country risk and insights*. Available at: https://credendo.com/en/country-risk.
    - Madura, J. (2020) *International financial management*. 14th edn. Cengage. (Chapters 1 & 17)

*Assignments:*

- Application: basic country/macro data for decision-making
    - World Bank Group (n.d.) *Countries and economies*. Available at: https://data.worldbank.org/country.
        - Choose a country and note:
            - 1. GDP (rough idea)
            - 2. Recent growth
            - 3. Any obvious macro red flags

- 4. Whether it is advanced/emerging/developing (broadly)
- Mini-case: group project
  - "Should a company invest in/expand into this country?"
    - International Money Fund (n.d.) *IMF data*. Available at: https://www.imf.org/en/data.
    - Credendo (2026) *Country risk and insights*. Available at: https://credendo.com/en/country-risk.
  - Assignment description:
    - Each group picks one country (not their home country)
      - Using World Bank, IMF, and Credendo, prepare a short presentation on:
        - Currency used and recent FX concerns (if any)
        - Perceived country risk (political, business environment, payment risk)
        - Would you advise a European firm to invest there? Why/why not?
        - In which currency would you recommend borrowing or invoicing?
    - No numbers to crunch – focus on reasoning, vocabulary, and structure

## KEY TEXTS

1. Eiteman, D. K., Stonehill, A. I. and Moffett, M. H. (2024) *Multinational business finance.* 16th edn. Harlow, United Kingdom: Pearson.

## SUPPLEMENTARY TEXTS

1. Madura, J. (2020) *International financial management*. 14th edn. Cengage.
2. Hill, C. W. L. (2021) *International business: Competing in the global marketplace*. 13th edn. McGraw-Hill.
3. Krugman, P. R., Obstfeld, M. and Melitz, M. (2022) *International economics: theory and policy*. 12th edn. Pearson.
4. Shapiro, A. C. and Hanouna, P. (2019) *Multinational financial management*. 11th edn. Wiley.
5. Carbaugh, R. (2022) *International economics*. 18th edn. Cengage.

## MODES OF ASSESSMENT

| | | |
|---|---|---|
| **Continuous Assessment** (40%) | Mid-term test | 20% |
| | Team project | 20% |
| **Final Exam** (60%) | Closed-book written exam | |

*Last reviewed: 23/09/2026*

## MODULE DESIGN TEAM


- Author: *Paul Griffiths*
- Reviewer: *Ezechias Azokly*
- External Reviewer: *Tahsin Ozalan*


*Last reviewed: 23/09/2026*