

EF5143: INTERNATIONAL FINANCIAL MANAGEMENT

Effective Term

Semester A 2025/26

Part I Course Overview

Course Title

International Financial Management

Subject Code

EF - Economics and Finance

Course Number

5143

Academic Unit

Economics and Finance (EF)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

P5, P6 - Postgraduate Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

Nil

Precursors

EF5042 Corporate Finance and EF5050 Derivatives and Risk Management

Equivalent Courses

Nil

Exclusive Courses

Nil

Part II Course Details

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.

Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-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	x	x	x
2	Describe the impact of the firm's risk management policy on firm value and construct appropriate hedging policies under different scenarios.	30	x	x	x
3	Demonstrate the impact of the firm's financing policy on firm value and design the optimal financing policy in the international framework.	15	x	x	x
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	x	x	x
5	Describe the impact of foreign direct investment on firm value.	10	x	x	x
6	Justify international portfolio investment decisions and design optimal investment strategies for firms under different scenarios.	15	x	x	x

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.

Learning and Teaching Activities (LTAs)

LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	Students will engage in lectures and think critically and logically by responding to in-class questions and solving the problem sets..	1, 2, 3, 4, 5, 6

2	In-class discussion	Students will engage in discussions to enhance communication and critical thinking skills and develop their creative and innovative abilities.	1, 2, 3, 4, 5, 6	
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Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("- " for nil entry)	Allow Use of GenAI?
1	Coursework (in-class discussion, problem sets, essays, etc.)	1, 2, 3, 4, 5, 6	50	For assignments and group project, students can use Generative Artificial Intelligence Tools to help them understand the concepts/ questions/ problems, or analyze data. But the final version must be their own work, e.g., students cannot copy and paste the AI answers as their own answers. Students are not allowed to use Generative Artificial Intelligence Tools in mid-term examination(s)/ quiz(zes).	Yes

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

3

Additional Information for ATs

Students are not allowed to use Generative Artificial Intelligence Tools in the final examination.

Assessment Rubrics (AR)**Assessment Task**

Problem sets (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Ability to solve and analyse in-class or take-home exercises on course materials

Excellent

(A+, A, A-) Demonstrate in-depth understanding of course materials

Good

(B+, B, B-) Demonstrate good understanding of course materials

Fair

(C+, C, C-) Demonstrate reasonable understanding of course materials

Marginal

(D) Demonstrate some understanding of course materials

Failure

(F) Barely able to demonstrate an understanding of course materials

Assessment Task

Essays (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Analysis and presentation skills

Excellent

(A+, A, A-) Excellent analysis and presentation skills to demonstrate in-depth understanding of the role of foreign exchange rates in banking, business or policy decisions

Good

(B+, B, B-) Good analysis and presentation skills to demonstrate good understanding of the role of foreign exchange rates in banking, business or policy decisions

Fair

(C+, C, C-) Reasonable analysis and presentation skills to demonstrate reasonable understanding of the role of foreign exchange rates in banking, business or policy decisions

Marginal

(D) Marginally acceptable analysis and presentation skills to demonstrate some understanding of the role of foreign exchange rates in banking, business or policy decisions

Failure

(F) 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

Assessment Task

Final Exam (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Mastery of course materials

Excellent

(A+, A, A-) Demonstrate in-depth understanding of course materials

Good

(B+, B, B-) Demonstrate good understanding of course materials

Fair

(C+, C, C-) Demonstrate reasonable understanding of course materials

Marginal

(D) Demonstrate some understanding of course materials

Failure

(F) Barely able to demonstrate an understanding of course materials

Assessment Task

Problem sets (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Ability to solve and analyse in-class or take-home exercises on course materials

Excellent

(A+, A, A-) Demonstrate in-depth understanding of course materials

Good

(B+, B) Demonstrate good understanding of course materials

Marginal

(B-, C+, C) Demonstrate some understanding of course materials

Failure

(F) Barely able to demonstrate an understanding of course materials

Assessment Task

Essays (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Analysis and presentation skills

Excellent

(A+, A, A-) Excellent analysis and presentation skills to demonstrate in-depth understanding of the role of foreign exchange rates in banking, business or policy decisions

Good

(B+, B) Good analysis and presentation skills to demonstrate good understanding of the role of foreign exchange rates in banking, business or policy decisions

Marginal

(B-, C+, C) Marginally acceptable analysis and presentation skills to demonstrate some understanding of the role of foreign exchange rates in banking, business or policy decisions

Failure

(F) 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

Assessment Task

Final Exam (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Mastery of course materials

Excellent

(A+, A, A-) Demonstrate in-depth understanding of course materials

Good

(B+, B) Demonstrate good understanding of course materials

Marginal

(B-, C+, C) Demonstrate some understanding of course materials

Failure(F) Barely able to demonstrate an understanding of course materials

Part III Other Information**Keyword Syllabus**

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

Reading List**Compulsory Readings**

Title	
1	Eun & Resnick, International Financial Management (McGraw-Hill), latest edition

Additional Readings

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