

Poland Module Outline

International Finance

The of this module is to consider the main issues in the intersection between the global economy and financial markets. This will look at issues in how changes in macroeconomic conditions can impact financial markets, as well as how changes in financial asset prices can affect economic stability and economic policy. The module will also look at key issues that affect the behaviour of companies and the risks that they face in the international context

MODULE AIMS

To provide an understanding of the key areas within international finance.

Attention will focus on:

- the intersection between financial markets and the macro economy;
- the balance of trade and the determinants of foreign exchange rates;
- the effectiveness of fiscal and monetary policy and the external economy;
- the relation between exchange rates, interest rates and inflation rates;
- the measurement and management of foreign exchange risk the use of derivative products;
- international aspects of investments and portfolio management.

MODULE LEARNING OUTCOMES

By the end of the module students should be able to:

- Have knowledge and critical understanding of the relation between financial markets and the macroeconomy, with an emphasis on how international markets impact the economy, including policy.
- Be able to apply a critical perspective to different theories/hypotheses on financial market movement and to understand the appropriate analytical techniques.
- To have knowledge of the key exchange rate risks, how to mitigate them and associated ethical considerations.

Outline

1. The Macroeconomic Context
2. International Trade and the Exchange Rate
3. The Effectiveness of Fiscal and Monetary Policy in the Context of International Finance
4. Money, Inflation, Interest Rates and Exchange Rates
5. Understanding Behaviour of International Financial Markets
6. Managing Risks in the Global Economy

Indicative Reading

Mishkin, F.S, & Eakins, S.G., *Financial Markets and Institutions*, Any Edition, Pearson.

Madura, J. & Fox, R., *International Financial Management*, Any Edition, Cengage Learning.