

**Subject card**

<b>Subject name and code</b>	International Finance, PG_00053581						
<b>Field of study</b>	International Economic Relations						
<b>Date of commencement of studies</b>	October 2024	<b>Academic year of realisation of subject</b>			2024/2025		
<b>Education level</b>	postgraduate studies	<b>Subject group</b>			Obligatory subject group in the field of study		
<b>Mode of study</b>	full-time studies	<b>Mode of delivery</b>			at the university		
<b>Year of study</b>	1	<b>Language of instruction</b>			Polish		
<b>Semester of study</b>	1	<b>ECTS credits</b>			5.0		
<b>Learning profile</b>	academic	<b>Assessment form</b>					
<b>Conducting unit</b>							
<b>Name and surname of lecturer (lecturers)</b>	<b>Subject supervisor</b>		dr Magdalena Markiewicz				
	<b>Teachers</b>		dr Magdalena Markiewicz dr Urszula Mrzygłód				
<b>Lesson types</b>	<b>Lesson type</b>	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	<b>Number of study hours</b>	30.0	0.0	0.0	0.0	0.0	30
	E-learning hours included: 0.0						
<b>Learning activity and number of study hours</b>	<b>Learning activity</b>	Participation in didactic classes included in study plan		Participation in consultation hours		Self-study	SUM
	<b>Number of study hours</b>	30		0.0		0.0	30
<b>Subject objectives</b>	The main objective of the course is to familiarize students with the financial conditions for the operation of enterprises on international markets and with the phenomena and trends belonging to international economics, which create the international macroeconomic environment of enterprises and institutions operating on an international scale.						

Learning outcomes	Course outcome	Subject outcome	Method of verification
	[MSGMU2_W04] has an in-depth knowledge of different types and elements of economic structures and institutions, including institutions, organisations and economic entities; understands the causes, course, scale and consequences of changes occurring in them, as well as relations between them on a national, international and intercultural scale; knows the theories explaining relations among them	The student has in-depth knowledge of enterprises operating on an international scale, understands the organizational changes taking place in enterprises as the degree of internationalization of operations increases, and recognizes the processes leading to changes in these structures, including international mergers and acquisitions and direct investments.	[SW4] test/exam - oral or written
	[MSGMU2_K04] is ready to think and act in an entrepreneurial manner; adapts to new situations and conditions; undertakes challenges of creative thinking; acquires resilience to failures; assesses risks and threats and finds ways of counteracting their effects	By performing simple and complex tasks from international finance, the student acts actively, adapts to new types of tasks and proposes innovative solutions. Thanks to feedback after completing the tasks, the student evaluates his/her knowledge and increases resistance to failure.	[SK1] oral statement/conversation/discussion [SK4] test/exam - oral or written [SK5] implementation of a problem task
	[MSGMU2_K03] is ready to actively participate in groups, organisations and institutions conducting professional projects concerning the functioning of economic entities in the conditions of globalisation and the development of integration processes	The student is aware of the importance of participating in group tasks and in groups carrying out professional projects.	[SK5] implementation of a problem task
	[MSGMU2_K02] is ready to critically assess the level of acquired knowledge, skills and professional competence in the area of international economic relations	By performing simple and complex tasks in international finance, the student learns to critically evaluate the level of knowledge, skills and professional competencies in the area of international finance.	[SK1] oral statement/conversation/discussion [SK5] implementation of a problem task
	[MSGMU2_U03] can identify and analyse relations between business entities and institutions in their national and international environment	The student is able to identify and analyse the relationships between international enterprises, the authorities of countries hosting direct investments, and institutions supporting such investments.	[SU4] test/exam - oral or written
	[MSGMU2_U02] can observe, evaluate and critically analyse the causes and course of processes and phenomena taking place in the open economy; can formulate his/her own opinions on the subject, interpret statistical data and economic indicators necessary in this respect, and also forecast economic processes and phenomena using advanced methods and tools applied in economic sciences	The student is able to critically evaluate changes and trends occurring in international financial markets, financial centres, and individual economies; present his/her own views on these changes and interpret the necessary economic data; and use the principles of the time value of money and parity relations to forecast changes in the efficiency of foreign direct and portfolio investments and analyse financing costs.	[SU4] test/exam - oral or written [SU5] implementation of a problem task
	[MSGMU2_W05] has an in-depth knowledge of the world economy, principles of global market functioning and international financial relations as well as the process of their evolution; understands the causes, regularities and consequences of occurring changes	The student has in-depth knowledge of enterprises' activities in the global economy and understands the importance of changes taking place in the global economy for the functioning of international enterprises, including, among other things, direct investment, opportunities for acquisition, and the cost of capital.	[SW4] test/exam - oral or written [SW1] oral statement/conversation/discussion
	[MSGMU2_W10] has an in-depth knowledge of the legal, cultural and financial conditions related to business operations, in particular those of an international nature	The student has in-depth knowledge of the financial, political, and macroeconomic conditions of international enterprises, which influence their economic decisions. The student understands the importance of regulatory and supervisory institutions for the functioning of international financial markets.	[SW4] test/exam - oral or written [SW1] oral statement/conversation/discussion [SW5] implementation of a problem task

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[MSGMU2_U01] can creatively interpret and explain complex and atypical economic phenomena and the relations occurring between them, using the acquired knowledge in economics, finance and international economic relations	The student is able to analyse in a detailed and creative manner complicated and complex economic phenomena, i.e. expropriation of direct investments, exit or commencement of business in a given market, international mergers and acquisitions, or raising capital on international financial markets, using their knowledge of international economics and international finance.	[SU1] oral statement/conversation/discussion [SU4] test/exam - oral or written [SU5] implementation of a problem task
[MSGMU2_U04] can use the acquired knowledge to formulate and solve complex problems related to the operation of economic entities on the international market, with particular emphasis on the European Union market	The student can use his/her knowledge to formulate and solve complex problems related to the functioning of economic entities on the international financial market, with particular emphasis on the European Union financial market.	[SU4] test/exam - oral or written
[MSGMU2_K01] is ready to recognise the importance of knowledge of economics in the process of identifying and solving problems in the area of international economic relations and to consult experts in case of difficulties in solving them independently	The student understands the importance of knowledge in economics, which is necessary to solve complex problems in international finance. The student also understands the need to seek and use expert opinions when encountering difficulties in solving a given problem on their own.	[SK4] test/exam - oral or written
[MSGMU2_K06] is ready to independently identify, diagnose and responsibly resolve dilemmas and alternative solutions related to his/her profession and the development of professional achievements	The student approaches assigned tasks responsibly and increases his/her independence in seeking solutions to complex problems in international finance.	[SK4] test/exam - oral or written
[MSGMU2_U06] can identify types of risks related to international operations of enterprises and correctly determine their consequences and methods of mitigation, with a skilful application of theory, using appropriate research method	The student can identify and determine the significance of various types of risk affecting enterprises operating on an international scale. In particular, using theoretical knowledge, the student can correctly determine the consequences of currency risk and political risk for the effectiveness of economic decisions of enterprises.	[SU4] test/exam - oral or written [SU5] implementation of a problem task
[MSGMU2_U16] independently plans and implements lifelong learning; complements and improves the acquired knowledge and skills; is open to new ideas and techniques; can inspire and organise the learning process for others	The student independently improves the acquired knowledge and skills within the framework of performed tasks and discussions and is open to new problem-solving concepts and methods.	[SU1] oral statement/conversation/discussion [SU5] implementation of a problem task
[MSGMU2_W03] knows and understands types of economic ties and the regularities governing them; understands the conditions and principles of the functioning of the market and the market mechanism in the national, international and global aspect	The student knows and understands the economic ties between economies, i.e. monetary and financial integration, exchange rate systems, and international agreements on investment and taxes. The student recognizes the relationships between interest rates, exchange rates and inflation.	[SW4] test/exam - oral or written [SW5] implementation of a problem task
[MSGMU2_W09] has an in-depth knowledge of selected areas of the functioning of a modern enterprise in the national and international environment; understands the conditions, principles and consequences of decisions taken in its structures aiming at the development, and the dependencies among enterprises on the international market	The student has in-depth knowledge of the functioning of modern international enterprises in finance.	[SW4] test/exam - oral or written

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Subject contents	<p><b>Lectures</b></p> <p>1. Introductory issues to international finance - examples of decision problems. Objectives of financial management in the international aspect. 2. Open economy model (IS-LM-BP). Parity relations: purchasing power parity, Fisher effect, international Fisher effect, interest rate parity. 3. Foreign direct investment and company development strategy. Model of strategic analysis of basic conditions and variables of the foreign investment selection process. International mergers and acquisitions (M&amp;A). Examples of FDI and M&amp;A investments - case studies. 4. Capital budgeting for an international company. 5. Conditions of the cost of capital in individual countries. Cost of capital and capital structure for an international company. Cost of equity and foreign capital. Effective interest rate of debt in foreign currency. 6. Risk of foreign investment of an enterprise. Country risk - political risk. Main methods of assessing political risk. 7. International tax planning. Tax neutrality, double taxation treaties. Tax residence. Transfer prices - mechanisms and application. 8. International financial markets and international financial transactions. Major and regional financial centers of the world. Offshore markets - significance for international capital flows. 9. Tax havens and the activities of foreign companies. Anti-money laundering as an element of the activities of international institutions (AML, KYC, OECD regulations). 10. International financial instruments: types and characteristics. Financing enterprises through issues on foreign capital markets. Preferences for choosing the issue market. 11. Foreign portfolio investments. Characteristics of channels of participation in the international financial market. Benefits and costs of participation in international financial markets from the perspective of the investor and the enterprise. Valuation of capital assets on an international scale in individual models of capital asset valuation. 12. Currency union. Traditional and contemporary theory of the optimal currency area. 13. World currencies: definition and significance. Cohen's matrix. The role of the world's major currencies in international financial flows. Safe haven currencies. Major currency zones of the world. 14. Contemporary and historical exchange rate systems: characteristics and evaluation of their functioning on selected examples. The importance of the exchange rate system for financial decisions of enterprises. 15. Integration of financial markets: definition, measurement methods, benefits and threats. Case study: integration of capital and credit markets in Europe. The issue of investors' attachment to the local financial market.</p> <p><b>Classes</b></p> <p>1. Decision-making problems in the finance of international enterprises. 2. Time accounting of money (simple and compound interest, effective interest rate, real interest rate. 3. Parity relations: purchasing power parity, Fisher effect, international Fisher effect, interest rate parity. Application of parity relations to forecasting exchange rates. 4. Methods of evaluating investment projects. Capital budgeting for an international company. The impact of exchange rate changes on the value of flows from foreign projects. 5. Cost of capital and capital structure for an international company. Cost of equity and foreign capital. Effective interest rate of debt in foreign currency. The impact of interest rate and exchange rate changes on financing costs. 6. Evaluation of the profitability of a foreign portfolio investment. The impact of interest rate and exchange rate changes on the profitability of a portfolio investment financing. Case studies.</p>									
Prerequisites and co-requisites	Knowledge of international economic relations. Ability to solve mathematical problems: algebra.									
Assessment methods and criteria	<table border="1"> <thead> <tr> <th>Subject passing criteria</th> <th>Passing threshold</th> <th>Percentage of the final grade</th> </tr> </thead> <tbody> <tr> <td>Tasks (classes) and written exam (open and closed questions) or oral exam (open questions)</td> <td>51.0%</td> <td>100.0%</td> </tr> </tbody> </table>	Subject passing criteria	Passing threshold	Percentage of the final grade	Tasks (classes) and written exam (open and closed questions) or oral exam (open questions)	51.0%	100.0%			
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Recommended reading	<p>Basic literature</p> <p><i>Finanse międzynarodowe</i>, red. M. Markiewicz, U. Mrzygłód, PWE, Warszawa 2015.  Dyduch J., <i>Finanse. testy z rozwiązaniami</i>, Wydawnictwo AGH, Kraków 2015.</p> <p>Scientific articles presented during classes.</p>									

	Supplementary literature	<p>Adamska-Mieruszewska J., Mrzygłód U., <i>Foreign Listing Pricing Effects: the Case of Emerging Economies</i>, Bank i Kredyt 2020, nr 4.</p> <p>Bieliński T., Markiewicz M., Oziewicz E., Do Central and Eastern Europe countries play a role in the belt and road initiative?, The case of Chinese OFDI into the CEE-16 countries, <i>Comparative Economic Research. Central and Eastern Europe</i>, 2019, Vol.22/ 2, s. 7-22.</p> <p>Bizuneh M. (2022) Are we floating yet? <i>Eastern Economic Journal</i> (48).</p> <p>Cotrut M. (2015), <i>International Tax Structures in the BEPS Era : An Analysis of Anti-abuse Measures</i>, IBFD Tax Research Series, Volume 2, chapter 4.2. and chapter 10 (e-book).</p> <p>De Grauwe P. and Ji Y. (2016), <i>Flexibility vs. stability. A difficult tradeoff in the Eurozone</i>, Centre for European Policy Studies and European Commission, March (available on-line).</p> <p>Kallianiotis J. N. (2019), <i>Foreign Exchange Rates and International Finance</i>. Nova Science Publishers, New York, chapter 10, subchapters 1.1.-1.4., p. 364-375 (e-book).</p> <p>Kamil H. (2012), How Do Exchange Rate Regimes Affect Firms' Incentives to Hedge Currency Risk? Micro Evidence for Latin America, <i>IMF Working Papers</i>, (<a href="https://www.imf.org/en/Publications/WP/Issues/2016/12/31/How-Do-Exchange-Rate-Regimes-Affect-Firms-Incentives-to-Hedge-Currency-Risk-Micro-Evidence-25761">https://www.imf.org/en/Publications/WP/Issues/2016/12/31/How-Do-Exchange-Rate-Regimes-Affect-Firms-Incentives-to-Hedge-Currency-Risk-Micro-Evidence-25761</a>).</p> <p>Markiewicz M., <i>Determinants of the evolution of the Asian financial centres</i>, <i>International Business and Global Economy</i>, 2016 nr 35/2, p. 173-185.</p> <p>Markiewicz M., <i>Fuzje i przejęcia międzynarodowe w sektorze bankowym</i>, Wydawnictwo Uniwersytetu Gdańskiego, Gdańsk 2021.</p> <p>Mrzygłód U., <i>Procesy integracyjne na rynkach kapitałowych Unii Europejskiej</i>, Materiały i Studia Narodowego Banku Polskiego 2011, nr 257 (dostępny na stronie internetowej NBP).</p> <p>OECD (2021), <i>Tax Challenges Arising from the Digitalisation of the Economy Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS</i>, OECD, Paris.</p> <p>Sobański K., <i>Międzynarodowe finanse przedsiębiorstw</i>, PWN, Warszawa 2018.</p> <p>Ye M., Hutson E., Muckley C., (2014) Exchange rate regimes and foreign exchange exposure: The case of emerging market firms, <i>Emerging Markets Review</i>, 2014 (21).</p>
	eResources addresses	<p>Uzupełniające</p> <p>Adresy na platformie eNauczanie:</p>

<p>Example issues/ example questions/ tasks being completed</p>	<p>What exchange rate regimes are currently in operation in the currency system (classification of the most important categories according to the IMF) and what are their characteristic features?</p> <p>Based on the conditions of Cohen's matrix, please verify the statement that the dollar acts as an international currency. Please base your justification on the conditions of the matrix.</p> <p>Company A begins an international investment project. This involves assessing the capital budgeting process from an international perspective, discussing available financing sources, and calculating the cost of capital.</p>
<p>Work placement</p>	<p>Not applicable</p>

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