

Subject card

Subject name and code	International Settlements, PG_00119386						
Field of study	International Economic Relations						
Date of commencement of studies	October 2024	Academic year of realisation of subject	2025/2026				
Education level	Bachelor's studies	Subject group	Obligatory subject group in the field of study				
Mode of study	full-time studies	Mode of delivery	at the university				
Year of study	2	Language of instruction	Polish				
Semester of study	4	ECTS credits	2.0				
Learning profile	academic	Assessment form	credit				
Conducting unit							
Name and surname of lecturer (lecturers)	Subject supervisor	dr hab. Iwona Sobol					
	Teachers	dr Łukasz Dopierala dr Monika Szmelter					
Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	0.0	30.0	0.0	0.0	0.0	30
	E-learning hours included: 0.0						
	Additional information: Exercises using active learning methods, case studies, discussion						
Learning activity and number of study hours	Learning activity	Participation in didactic classes included in study plan	Participation in consultation hours	Self-study	SUM		
	Number of study hours	30	0.0	0.0	30		
Subject objectives	<ol style="list-style-type: none"> 1. Acquaint students with detailed knowledge of international settlements and foreign trade financing. 2. Introduce students to various forms of payment and financing used in international transactions and the criteria for their appropriate selection. 3. Familiarize students with different types of risks associated with international settlements and methods for mitigating them. 						

Learning outcomes	Course outcome	Subject outcome	Method of verification
	[MSG3_U07] can perform commercial transactions on the international market, select and apply appropriate forms of transaction settlement, analyse and critically assess the course of transactions	The student can apply hedging strategies against exchange rate risk. Furthermore, the student can select and use the appropriate form of settlement for foreign trade transactions and utilize the available financial instruments for foreign trade financing.	[SU4] test/exam - oral or written
	[MSG3_W16] has an advanced knowledge and understanding of the principles of entering into and conducting business transactions on the international market	The student knows the principles of concluding and settling trade transactions in the international market	[SW4] test/exam - oral or written
	[MSG3_W17] has an advanced knowledge of financial conditions related to conducting business activity, including the principles of accounting, financial analysis and international settlements	The student possesses advanced knowledge of the financial conditions related to conducting business activities, primarily the principles and regulations concerning international settlements. The student is familiar with the basic foreign exchange law regulations related to conducting business on an international scale	[SW4] test/exam - oral or written
	[MSG3_U16] can plan and implement his/her own lifelong learning, expand and improve his/her acquired knowledge and economic skills; is open to new ideas and techniques; is willing to learn using any method, and has a tendency to interact with other participants of the learning process	The student can independently plan and pursue lifelong learning, supplement, and improve their acquired knowledge and economic skills	[SU1] oral statement/conversation/discussion [SU4] test/exam - oral or written
	[MSG3_K05] correctly identifies, diagnoses and solves dilemmas and various options of solutions related to the profession	The student correctly identifies, diagnoses, and resolves dilemmas and various solution options related to performing their profession.	[SK1] oral statement/conversation/discussion [SK4] test/exam - oral or written
	[MSG3_U06] can identify selected risks related to international operations of enterprises and assess their consequences correctly	The student can identify selected types of risks associated with the international activities of enterprises (including the risk of non-payment to the exporter, the risk of improper contract performance by the importer, and currency risk), accurately determine their consequences, and methods for mitigating these risks.	[SU4] test/exam - oral or written

Subject contents	<p>1. Means of Payment in Foreign Trade - Bill of Exchange and Promissory Note</p> <ul style="list-style-type: none"> • Concept and types • Elements of a bill of exchange and promissory note • Application of bills of exchange and promissory note <p>2. Methods of Payment in Foreign Trade - Documentary Collection</p> <ul style="list-style-type: none"> • Concept and procedure of documentary collection • Types of documentary collection • Benefits and drawbacks of documentary collection from the perspective of the exporter and importer • Uniform Rules for Collections <p>3. Methods of Payment in Foreign Trade - Documentary Letter of Credit</p> <ul style="list-style-type: none"> • Concept and procedure of a documentary letter of credit • Elements of a letter of credit • Types of letters of credit • Principles of document verification within the framework of a documentary letter of credit • Benefits and drawbacks of letters of credit from the perspective of the exporter and importer • Uniform Customs and Practice for Documentary Credits <p>4. Foreign Exchange Market and Currency Risk in Foreign Trade</p> <ul style="list-style-type: none"> • Basic concepts related to the foreign exchange market (base currency, quoted currency, direct and indirect quotations, cross rates, figures, pips) • Spot transactions on the foreign exchange market • The essence of currency risk • Liquidity position and currency position <p>5. Forward and Swap Transactions</p> <ul style="list-style-type: none"> • Concept of forward transactions • Calculation of forward rate • Non-Deliverable Forwards (NDF) - concept and application • Concept and application of currency swaps <p>6. Currency Futures Contracts</p> <ul style="list-style-type: none"> • Concept and origin of futures transactions • Application of futures transactions <p>7. Currency Options</p> <ul style="list-style-type: none"> • Concept of currency options • Types of currency options (call and put, OTC and exchange-traded, European and American) • Application of options 								
Prerequisites and co-requisites	The prerequisite course for students is International Trade Transactions. The starting point for this course is knowledge of the basic concepts of foreign trade transactions and elements of the international sales contract.								
Assessment methods and criteria	<table border="1"> <thead> <tr> <th data-bbox="453 1442 790 1469">Subject passing criteria</th> <th data-bbox="799 1442 1139 1469">Passing threshold</th> <th data-bbox="1144 1442 1492 1469">Percentage of the final grade</th> </tr> </thead> <tbody> <tr> <td data-bbox="453 1476 790 1592">Assessment of exercises will be based on one or two written tests. The tests will include for example, calculation tasks, multiple-choice questions, etc.</td> <td data-bbox="799 1476 1139 1592">51.0%</td> <td data-bbox="1144 1476 1492 1592">100.0%</td> </tr> </tbody> </table>	Subject passing criteria	Passing threshold	Percentage of the final grade	Assessment of exercises will be based on one or two written tests. The tests will include for example, calculation tasks, multiple-choice questions, etc.	51.0%	100.0%		
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Recommended reading	Basic literature	<ul style="list-style-type: none"> • Rozliczenia międzynarodowe, red. D. Marciniak-Neider, PWE, Warszawa 2011 (współautorzy: I. Sobol, M. Szmelter). • Rozliczenia w praktyce handlu zagranicznego, red. D. Marciniak-Neider, A. Stańczyk, PWE, Warszawa 2017. • Sobol I., Faktoring międzynarodowy, Oficyna Ekonomiczna, Kraków 2005. • Zając J., Polski rynek walutowy w praktyce, K E. Liber, Warszawa 2005. 							

	Supplementary literature	<ul style="list-style-type: none"> • Finanse, bankowość oraz rynki finansowe, red. E. Pietrzak, M. Markiewicz, Wyd. Uniwersytetu Gdańskiego, Gdańsk 2006. • Handel zagraniczny, Poradnik dla praktyków, red. B. Stępień, PWE, Warszawa 2012. • Heropolitańska I., Weksel w obrocie gospodarczym, wyd. XIV, Twigger, Warszawa 2007. • ICC Uniform Customs and Practice for Documentary Credits, "Publication" no. 600. ICC, Paris 2006. • Marciniak-Neider D., Warunki dostaw towarów w handlu zagranicznym, Polska Izba Spedycji i Logistyki, Gdynia 2017. • Sobol I., Rynek usług faktoringowych w Polsce i Unii Europejskiej, w: Globalizacja. Integracja. Konkurencyjność: współczesne dylematy, red. A. Grynia, Uniwersytet w Białymstoku, Wydział Ekonomiczno-Informatyczny w Wilnie, Wilno 2020. • Sobol I., Szmelter M., Non-deliverable forwards - factors of development and market structure, "Przegląd Prawno-Ekonomiczny", 2022, nr 1. • Szmelter M., Internacjonalizacja polskiego rynku walutowego, w: Procesy globalizacji, internacjonalizacji i integracji w warunkach współczesnej gospodarki światowej, red. Sporek T., Wydawnictwo Akademii Ekonomicznej, Katowice 2009. • Szmelter M., Internacjonalizacja światowego rynku walutowego, Prace i Materiały Instytutu Handlu Zagranicznego Uniwersytetu Gdańskiego 2010, nr 28 • Szmelter M., Uczestnicy światowego i polskiego rynku walutowego, Prace i Materiały Instytutu Handlu Zagranicznego Uniwersytetu Gdańskiego 2010, nr 29.
	eResources addresses	
Example issues/ example questions/ tasks being completed	<p>Sample exercise</p> <p>On December 16th, the Polish company XYZ purchased new machinery from a Portuguese company valued at 250,000 EUR on 3-month credit terms. On that day, at a certain point, the dealer from ING bank quotes the spot rate to clients in the same category as company XYZ as: 1 EUR = 4.1705 - 25 PLN, and the forward rate for a 3-month transaction as: 1 EUR = 4.2326 - 58 PLN. How would you assess the relative effectiveness of XYZ company's hedge on that day using a forward transaction, if on March 16th of the following year, at a certain point, the dealer from the same bank quotes the spot rate for the same transaction amount to the same category client as XYZ as: 1 EUR = 4.2390 - 35 PLN?</p>	
Work placement	Not applicable	

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