

Subject card

Subject name and code	International Settlements, PG_00129814						
Field of study	International Business						
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 English 100%		
Semester of study	4	ECTS credits			2.0		
Learning profile	academic	Assessment form					
Conducting unit	Division of International Financial Markets -> Department of International Business -> Faculty of Economics -> Rector						
Name and surname of lecturer (lecturers)	Subject supervisor		dr Monika Szmelter				
	Teachers		dr Monika Szmelter				
Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	0.0	15.0	0.0	0.0	0.0	15
	E-learning hours included: 0.0						
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	15		10.0		20.0	45
Subject objectives	Familiarizing the students with currency risk in international settlements and methods, reducing the risk.						

Learning outcomes	Course outcome	Subject outcome	Method of verification
	[IBL3_U03] is able to perform tasks in uncertain conditions, solve complex issues of international business by appropriate selection information sources, conducting critical analysis and synthesis on the collected information and data	A student is able to perform tasks in currency risk hedging, using transactions available in the forex.	[SU4] test/exam - oral or written
	[IBL3_K05] is ready to perform professional role in responsible manner, abide business ethics and business standards in working environment	A student is ready to do hedging transactions in the forex, taking into account financial policy of the corporate and efficiency as well.	[SK4] test/exam - oral or written
	[IBL3_W02] knows and understands fundamental concepts and terminology of international business, international economic and financial relations and complementary disciplines	A student has basic knowledge of currency risk as a part of international business. A student also knows the basic terminology referring to currency risk.	[SW4] test/exam - oral or written
	[IBL3_W03] knows and understands selected research methods and tools, including IT tools and data acquisition techniques, which are applicable to international business issues	A student knows and understands selected research methods and tools, that are used in currency risk management process.	[SW4] test/exam - oral or written
[IBL3_U01] can interpret and explain economic phenomena, analyse their causes, course and connections within these phenomena using the acquired knowledge of international business, economics and finance and complementary disciplines	A student is able to explain, how the foreign exchange market works.	[SU4] test/exam - oral or written	
Subject contents	<p>1. Currencies: currency codes, key currencies of the world, time zones and foreign exchange market.</p> <p>2. Technical aspects of trading in FX market: choosing the best rate by investor, cross rates.</p> <p>3. Currency risk and currency position: types of currency position, calculation of currency position, average weighted exchange rate on currency position-calculation, currency risk of speculators and companies (exporters, importers).</p> <p>4. Forward transactions: effective and ineffective hedging, calculation of forward rate, the currency with premium&discount in forward rate.</p> <p>5. FX swaps: types of swaps, swap points calculation.</p> <p>6. FX options: types of options (call and put), the risk of long and short position in fx option market, premium in fx option, currency risk hedging using fx option.</p>		
Prerequisites and co-requisites	The knowledge of basics of finance.		
Assessment methods and criteria	Subject passing criteria	Passing threshold	Percentage of the final grade
	test (multiple choice, true/false etc.)	51.0%	100.0%

Recommended reading	Basic literature	<p>Reading used during lectures and classes:</p> <p>Blajer A., Documentary Credits in International Trade.</p> <p>Transactions under New ICC Rules (UCP 600), Oficyna Wydawnicza Branta, Bydgoszcz-Łódź 2009.</p> <p>Eiteman D., Stonehill A., Moffett M., Multinational Business Finance, International Edition 16th (or earlier editions), Pearson Education, 2022.</p> <p>Reading studied by the student alone:</p> <p>Blajer A., Documentary Credits in International Trade. Transactions under New ICC Rules (UCP 600), Oficyna Wydawnicza Branta, Bydgoszcz-Łódź 2009.</p> <p>Eiteman D., Stonehill A., Moffett M., Multinational Business Finance, International Edition 16th (or earlier editions), Pearson Education, 2022.</p>
	Supplementary literature	<p>Grath A., The Handbook of International Trade and Finance, Kogan Page, London 2016 (or earlier edition).</p> <p>Sobol. I., Factoring as a tool of financing of Polish exporters, (in): Polish Transformation Experience, Working Papers, ed. J. Pietrzak, Institute of International Business, University of Gdańsk, FRUG, Sopot 2006.</p> <p>Sobol I., Forwards and Options on Polish Foreign Exchange Market, Transcom 2009, University of Zilina, Zilina 2009.</p> <p>Sobol I., Szmelter M., Non-deliverable forwards factors of development and market structure, Przegląd Prawno-Ekonomiczny 2022, nr 1.</p> <p>Sobol I., Szmelter M., Retail investors in the foreign exchange market, "Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu, 2020, vol. 64, nr 6.</p> <p>Szmelter M., FX prime brokerage industry, "International Business and Global Economy" 2016, nr 35/2.</p>
	eResources addresses	Adresy na platformie eNauczenie:
Example issues/ example questions/ tasks being completed	<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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