

Subject card

Subject name and code	International Settlements, PG_00129813						
Field of study	International Business						
Date of commencement of studies	October 2024	Academic year of realisation of subject			2025/2026		
Education level	undergraduate 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			3.0		
Learning profile	academic	Assessment form					
Conducting unit	Zakład Międzynarodowych Rynków Finansowych -> Katedra Biznesu Międzynarodowego -> Faculty of Economics -> Rektor						
Name and surname of lecturer (lecturers)	Subject supervisor		dr hab. Iwona Sobol				
	Teachers		dr hab. Iwona Sobol				
Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	30.0	0.0	0.0	0.0	0.0	30
	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	30		20.0		30.0	80
Subject objectives	<p>The aim of the course is to:</p> <ol style="list-style-type: none"> offer the students the detailed knowledge of international settlements and foreign trade financing; teach the students different forms of payment and finance, used in international trade and motives for their right choice; familiarize the students with different forms of risk, relating to international settlements and methods, reducing those risks; implement advanced academic English vocabulary in economics and finance. 						

Learning outcomes	Course outcome	Subject outcome	Method of verification
	[IBL3_W02] knows and understands fundamental concepts and terminology of international business, international economic and financial relations and complementary disciplines	The student knows and understands the basic concepts and terminology in the field of international settlements.	[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	The student knows and understands selected research methods and tools, that are used in the field of international settlements.	[SW4] 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	The student is ready to work in a company trading with foreign countries in a responsible manner, observing business ethics and business standards in the work environment.	[SK4] 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	The student is able to explain the benefits and risks associated with particular types of payments.	[SU4] test/exam - oral or written
	[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	The student is able to solve problems resulting from the use of a specific form of payment, such as currency risk, credit risk and liquidity risk.	[SU4] test/exam - oral or written

Subject contents	<ol style="list-style-type: none">1. The essence of international settlements: narrow and broad concept of international settlements 2. Foreign exchange (FX) market and currency risk<ul style="list-style-type: none">- size, structure and functions of fx market - spot transactions - currency risk and foreign exchange position - internal hedging 3. Forward transactions<ul style="list-style-type: none">- definition and application of outright forwards - calculation of a forward rate - Non-deliverable forward (NDF) transactions - definition and application 4. FX swap transactions<ul style="list-style-type: none">definition and types - application 5. Currency futures<ul style="list-style-type: none">- definition and origin of currency futures - differences and similarities between currency futures and currency forwards - application of currency futures - Polish and world market of currency futures 6. Currency options<ul style="list-style-type: none">- definition and applications of currency options - types of currency options (call and put, OTC and exchange-traded, European and American, in the money, at the money, out of the money) - factors influencing option premium 7. Structure of the world foreign exchange market in terms of transactions and participants 8. Means of payments in international trade - bill of exchange (B/E) and promissory note (P/N)
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- definition and forms of B/E and P/N

- elements of B/E and P/N

- functions of B/E and P/N

9. Main methods of payments in international trade

- open account payment

- documentary collection

- letter of credit (L/C)

- advance payment

10. Open account and advance payment

- similarities and differences

- advantages and disadvantages from exporter and importer perspectives

11. Documentary collection

- definition and main types

- advantages and disadvantages from exporter and importer perspectives

- Uniform Rules for Collection

12. Letter of credit

- definition and main types

- advantages and disadvantages from exporter and importer perspectives

- Uniform Customs and Practice for Documentary Credits

13. International trade finance tools

- definition, functions and types of factoring

- advantages and disadvantages of factoring

- factoring worldwide network - FCI

- definition and forms of forfaiting

- advantages and disadvantages of forfaiting

	<p>- forfaiting worldwide organisation - International Forfaiting Association</p> <p>- comparison of factoring and forfaiting</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
	exam in the form of a test	51.0%	100.0%
Recommended reading	Basic literature	<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 14th, Pearson Education, 2022 (lub wcześniejsze wydania).</p>	
	Supplementary literature	<p>Grath A., The Handbook of International Trade and Finance, Kogan Page, London 2016 (lub wcześniejsze wydanie).</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 eNauczanie:	
Example issues/ example questions/ tasks being completed	Which of the below mentioned methods of currency hedging wouldnt you consider to be internal hedging tool? a) leading and lagging b) invoicing in domestic currency c) currency forwards d) netting		
Work placement	Not applicable		

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