University of Gdańsk

Subject card

Subject name and code	International Finance, PG_00199423		
Field of study	International Economic Relations		
Date of commencement of studies	October 2026	Academic year of realisation of subject	2026/2027
Education level	Master's studies	Subject group	Obligatory subject group in the field of study Subject group related to scientific research in the field of study
Mode of study	full-time studies	Mode of delivery	at the university
Year of study	1	Language of instruction	Polish
Semester of study	1	ECTS credits	7.0
Learning profile	academic	Assessment form	exam
Conducting unit			
Name and surname of lecturer (lecturers)	Subject supervisor	dr Urszula Mrzygłód	
	Teachers	dr Joanna Adamska dr Magdalena Markiewicz dr Urszula Mrzygłód	

Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	30.0	15.0	0.0	45.0	0.0	90
	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	90	0.0	85.0	175

Subject objectives	The aim of the course is to prepare students to make financial decisions related to business operations in an international environment by developing their knowledge of international finance and their ability to analyse and evaluate foreign investment projects, select appropriate sources of financing, identify financial and political risks, and apply financial and macroeconomic data in international investment decision-making.

Learning outcomes	Course outcome	Subject outcome	Method of verification
	[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
	[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	Students are able to identify the basic types of risks associated with business operations in international markets and assess their impact on investment and financial decisions.	[SU2] presentation/project/paper/ report [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	Student is able to analyze financial and macroeconomic data and use purchasing power parity and the time value of money to evaluate foreign investments and their sources of financing.	[SU2] presentation/project/paper/ report [SU5] 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 [SK2] presentation/project/paper/ report
	[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	Student is able to analyze decision-making problems faced by companies operating in international markets, applying their knowledge of international finance and international economics.	[SU2] presentation/project/paper/ report [SU4] test/exam - oral or written
	[MSGMU2_W04] has in-depth knowledge of 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 knows and understands the basic factors affecting the operations of companies active in international markets, including the importance of foreign direct investment and international mergers and acquisitions.	[SW4] test/exam - oral or written
	[MSGMU2_W02] has an in-depth knowledge and understanding of theory in the field of international economics, international economic relations and complementary disciplines	The student uses advanced terminology from the field of international finance.	[SW4] test/exam - oral or written
	[MSGMU2_W05] has a deep 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 is familiar with and understands the financial, macroeconomic, and regulatory factors involved in conducting business in international markets, including the role of international financial and regulatory institutions.	[SW4] test/exam - oral or written

Course outcome	Subject outcome	Method of verification
[MSGMU2_W10] has a systematized 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
[MSGMU2_U09] can innovatively solve problems in the field of international economic relations and the functioning of economic entities on the international market, adapting existing or developing new methods and tools	The student is able to use appropriate analytical methods and tools to solve a decision-making problem related to a company's operations in the international market.	[SU2] presentation/project/paper/ report [SU5] implementation of a problem task

Subject contents	**Lectures (30 hours)** 1. Introduction to International Finance: decision-making problems in international finance, objectives of international financial management. 2.The Open Economy Model (IS-LM-BP): purchasing power parity (PPP), Fisher effect, international Fisher effect, interest rate parity. 3. Foreign Direct Investment and Corporate Growth Strategy: strategic analysis of foreign investment decisions, international mergers and acquisitions (M&A), case studies of FDI and M&A. 4. Capital Budgeting for Multinational Enterprises. 5. Cost of Capital in International Business: determinants of the cost of capital across countries, capital structure of multinational enterprises, cost of equity and debt, effective interest rate on foreign currency borrowing. 6. Foreign Investment Risk: country risk, political risk, methods of political risk assessment. 7. International Tax Planning: tax neutrality, double taxation treaties, tax residency, transfer pricing mechanisms and applications. 8. International Financial Markets and International Financial Transactions: global and regional financial centres, offshore financial markets and their role in international capital flows. 9. Tax Havens and International Business: anti-money laundering (AML), Know Your Customer (KYC), OECD regulations. 10. International Financial Instruments: characteristics of international financial instruments, financing through international capital markets, determinants of market selection. 11. International Portfolio Investment: participation channels in international financial markets, benefits and costs of international portfolio investment, international asset pricing models. 12. Monetary Union: traditional and contemporary theories of the optimum currency area. 13. International Currencies: definition and significance, Cohen's Currency Matrix, major international currencies, safe-haven currencies, global currency areas. 14.Exchange Rate Systems: historical and contemporary exchange rate regimes, evaluation of exchange rate systems, implications for corporate financial decision-making. 15. Financial Market Integration: definition, measurement methods, benefits and risks, European financial integration, home bias in international investment. **Classes (15 hours)** 1. Introduction to International Finance and the Time Value of Money Scope: international financial decision-making, time value of money, simple and compound interest, effective and real interest rates. Activities: case study analysis, financial calculations, interpretation of results. 2. Parity Relationships in International Finance Scope: purchasing power parity, interest rate parity, effective interest rate on foreign currency borrowing, application of parity relationships to exchange rate forecasting. Activities: numerical exercises, exchange rate forecasting using parity conditions, interpretation of results. 3. Capital Budgeting for International Investment Projects Scope: identification of cash flows in international investment projects, project evaluation horizon,

classification of capital budgeting methods.
Activities: analysis of cash flow structures in international projects, identification and calculation of project cash flows, case study analysis, interpretation of results.

4. Investment Appraisal Methods for Multinational Enterprises
Scope: investment appraisal techniques, Net Present Value (NPV), Internal Rate of Return (IRR), Modified Internal Rate of Return (MIRR), payback period methods.
Activities: calculation of investment appraisal indicators, comparison of alternative investment projects, interpretation of results.

5. Profitability Analysis of International Investment Projects
Scope: effects of exchange rate fluctuations, interest rate changes, taxation, restrictions on fund transfers and political risk on international investment projects.
Activities: sensitivity analysis of investment projects, interpretation of results.

6. Financing International Business Operations
Scope: domestic and foreign currency financing, debt financing through loans and bonds, comparison of financing cash flows, impact of exchange rate changes on financing costs.
Activities: comparison of financing alternatives, calculation of effective financing costs in different currencies, evaluation of financing options.

7. International Portfolio Investment
Scope: portfolio investment performance, impact of exchange rate fluctuations on investment returns.
Activities: comparison of investment performance across international markets, interpretation of results.

Project (45 hours) Decision Report – Corporate Foreign Investment
The objective of the project is to apply theoretical knowledge and analytical tools in international finance to solve a managerial decision-making problem concerning the foreign expansion of a selected company.

The project consists of the following stages:
Stage I. Company Analysis and Identification of the Decision Problem (8 hours)
Submission: company profile and business activities, analysis of previous international operations, evaluation of previous foreign market entry modes, identification of strengths and weaknesses of the company's international expansion, definition of the strategic objective of the planned foreign investment, identification of the decision problem and assumptions for further analysis.
Required analytical tool: SWOT analysis of the company's international operations.

Stage II. Analysis and Selection of the Foreign Market Entry Mode (10 hours)
Submission: description of the selected foreign market entry mode based on theoretical literature (minimum three references), identification of its advantages, limitations and risk factors based on empirical studies (minimum three references, including at least two international publications), justification of the selected entry mode for the analysed company.
Required analytical tool: literature synthesis table presenting determinants, advantages and risks of the selected market entry mode.

Stage III. Analysis of International Expansion Opportunities (10 hours)
Submission: development of an investment location attractiveness assessment model, selection of two potential foreign markets, comparative analysis of selected locations using macroeconomic, infrastructure and financial indicators, recommendation of the preferred market with justification.
Required analytical tool: investment location attractiveness matrix.

Stage IV. Financing Analysis and Investment Budgeting (10 hours)
Submission: analysis of the company's current financing structure, identification of available financing sources and financial instruments, comparison of alternative financing options, preparation of an investment budget including planned capital expenditures, major categories of project cash flows and financial assumptions for the first year of operation.
Required analytical tools: comparison table of financing alternatives and investment budget.

Stage V. Final Recommendations (7 hours)
Submission: identification and assessment of key investment risks, summary of analytical findings, recommendation regarding the preferred foreign market and financing strategy with justification.
Required analytical tools: SWOT or PESTEL analysis and a decision-making process map illustrating the stages leading to the final recommendation.

Project Assessment Criteria
Assessment is based on the timely submission of project milestones, completeness of the submitted work, compliance with project requirements, reliability of data sources, accuracy of result interpretation, consistency of the decision-making process, and overall quality of the submitted materials.

Prerequisites and co-requisites	Prerequisites: Basic knowledge of international economic relations. Ability to solve mathematical problems: algebra. A final grade for the course may be awarded only after a student has received a passing grade in all components of the course as specified in the course syllabus (lectures, seminars, and project). Passing each component is a prerequisite for passing the course.

Assessment methods and criteria

Subject passing criteria	Passing threshold	Percentage of the final grade
Short tests to assess readiness for the exercises	51.0%	20.0%
Written (open and closed questions) or oral exam (open questions)	51.0%	30.0%
Project	51.0%	30.0%
Written assessment from classes - problem solving tasks	51.0%	20.0%

Recommended reading

Basic literature

Sobański, K. (2018). *Międzynarodowe finanse przedsiębiorstw*. Warszawa: Wydawnictwo Naukowe PWN. (najważniejszy podręcznik)

Finanse międzynarodowe, red. M. Markiewicz, U. Mrzygłód, PWE, Warszawa 2015.
Dyduch J., *Finanse. testy z rozwiązaniami,* Wydawnictwo AGH, Kraków 2015.

Scientific articles presented during classes.

	Supplementary literature	Adamska-Mieruszewska J., Mrzygłód U., *Foreign Listing Pricing Effects: the Case of Emerging Economies*, Bank i Kredyt 2020, nr 4. 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, Comparative Economic Research. Central and Eastern Europe, 2019, Vol.22/ 2, s. 7-22. Bizuneh M. (2022) Are we floating yet? Eastern Economic Journal (48). Cotrut M. (2015), International Tax Structures in the BEPS Era : An Analysis of Anti-abuse Measures, IBFD Tax Research Series, Volume 2, chapter 4.2. and chapter 10 (e-book). De Grauwe P. and Ji Y. (2016), *Flexibility vs. stability. A difficult tradeoff in the Eurozone*, Centre for European Policy Studies and European Commission, March (available on-line). Kallianiotis J. N. (2019), Foreign Exchange Rates and International Finance. Nova Science Publishers, New York, chapter 10, subchapters 1.1.-1.4., p. 364-375 (e-book). Kamil H. (2012), How Do Exchange Rate Regimes Affect Firms' Incentives to Hedge Currency Risk? Micro Evidence for Latin America, IMF Working Papers, (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). Markiewicz M., *Determinants of the evolution of the Asian financial centres, International Business and Global Economy,* 2016 nr 35/2, p. 173-185. Markiewicz M., *Fuzje i przejęcia międzynarodowe w sektorze bankowym,* Wydawnictwo Uniwersytetu Gdańskiego, Gdańsk 2021. Mrzygłód U., *Procesy integracyjne na rynkach kapitałowych Unii Europejskiej*, Materiały i Studia Narodowego Banku Polskiego 2011, nr 257 (dostępny na stronie internetowej NBP). OECD (2021), Tax Challenges Arising from the Digitalisation of the Economy Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS, OECD, Paris. Sobański K., *Międzynarodowe finanse przedsiębiorstw*, PWN, Warszawa 2018. Sobol I., Szmelter M., Międzynarodowy rynek walutowy. Wybrane zagadnienia, wyd. UG, 2025. Ye M., Hutson E., Muckley C., (2014) Exchange rate regimes and foreign exchange exposure: The case of emerging market firms, Emerging Markets Review, 2014 (21).
	eResources addresses	

Example issues/ example questions/ tasks being completed	What exchange rate regimes are currently in operation in the currency system (classification of the most importantcategories according to the IMF) and what are their characteristic features? Based on the conditions of Cohen's matrix, please verify the statement that the dollar acts as aninternational currency. Please base your justification on the conditions of the matrix. 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.
Work placement	Not applicable

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