VIETNAM NATIONAL UNIVERSITY, HANOI
UNIVERSITY OF ECONOMICS AND BUSINESS

SYLLABUS

International Finance: Theories and Policy (INE 3003-E)

(Issued with the decision no.1739.../QĐ-ĐTĐH dated on 15/9/2010

I – INSTRUCTOR INFORMATION:

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II – COURSE DESCRIPTIONS:

2.1 Prerequisite courses: International Economics.

2.2 Number of credits: 3

2.3 Credit hours: 45

2.4 Course descriptions:

International Finance studies the monetary and macroeconomic relations between countries. The course 'International Finance' presents the theory and policy of international finance at a basic level, and is organised into two parts: the theory and policy of exchange rates and open macroeconomics, and the international monetary system. The course covers a broad range of theories in international finance, including the concepts of the balance of payment, modern exchange rate theories, open macroeconomic theories and models, the development of the international monetary system, international capital movement and global capital markets, financial and currency crises and policy issues for developing countries. In addition to theoretical issues, the course also discusses policy issues that are relevant for Vietnam in order to facilitate the understanding of the theories.

Language of instruction and testing : English

Test form : written test

Learning activities : the course will be conducted in an interactive manner that requires students' frequent feedbacks. Learning activities will include lectures, in-class discussion, case study preparation and presentation, individual exercises, group asignment and test.

2.5 Course objectives:

The course is designed for undergraduate students at International Economics and Finance & Banking. The course aims to provide students with basic knowledge, both theoretically and practically, on the working of macroeconomic policies in an open economy, the international monetary system, and the determination of the exchange rate in the short-run and long-run. The course aims to keep an appropriate balance between theoretical discussion and practical issues with particular attention given to Vietnam's current economic and policy issues.

Instructor(s) will use the 4 scales (1: to be able to recall; 2: to be able to understand and apply; 3: to be able to reason; and 4: to be able to create) – in equal with the 6 scales of Bloom's taxonomy – given in the Appendix to assess the level of proficiency of the students regarding to their achievement of the expected learning outcomes thorough the course. Students can also use these 4 scales to assess themselves the level of proficiency of the expected learning outcomes stated below.

2.5.1 International finance knowledge and reasoning:

Students are expected to be able to acquire the knowledge of international finance among the levels of proficiency 1 (to be able to recall), 2 (to be able to understand and apply) and 3 (to be able to reason):

- Discuss the structure of the international finance
- Understand theories and policies of the balance of payments and the determination of the exchange rate. Students will get a better understanding on the working of monetary; critically review the exchange rate policies and assess their impacts on the the output and employment.
- Understand the functioning of the international monetary system, its past, current situation and future development. Students are also expected to get an in-depth understanding of contemporary issues in international finance, including the working of the international monetary system, the development of global capital markets, financial and currency crises.
- Discuss Vietnam's exchange rate regime and exchange rate movement. Students will be able to analyse the Vietnam's macroeconomic issues, including the trade balance and balance of payment, monetary and exchange rate policies.

2.5.2 Personal and professional skills and attributes:

Through the course the following students' personal skills are developed and enhanced between the levels of proficiency 2 (to be able to understand and apply) and 3 (to be able to analyse and evaluate):

- o analyzing the working of the foreign exchange market and macroeconomic policies.
- o identifying and interpreting the latest data relating to the international finance.
- o reviewing academic articles and economic reports by international organization, and being ready for study and research at the advanced level.
- o reasoning and solving issues of international finance: this includes identifying problems by using relevant theories, quantifying the issues by using empirical evidences, analysing and solving the issues by formulating appropriate policies.
- o thinking systematically

Students foster and develop *personal attributes* (e.g. initiative and willingness to take risks, perseverant / patient, flexible, self-confident, diligent / hard working, enthusiasm and passion for career, creative thinking, critical thinking, cross-cultural savvy, and self-esteem) and *skills* (e.g. awareness of one's personal knowledge-skills-and-attitudes, time and resource management, learning and self-learning, and self-management). Students are required to acquire a fluent use of Microsoft Word (in submitting homework and projects) and Microsoft PowerPoint (in the form of case study and project presentation).

Students foster and develop *professional skills and attributes* (e.g. responsibility, and accountability; task organisation and arrangement; awareness & catch up with modern world's economy; ability to work independently; self-confidence in international working environment; and ability to develop and promote personal & career).

2.5.3 Interpersonal skills and attributes:

In using the teaching and learning methods such as in-class discussions, homework, group assignment, students are required to develop and enhance their interpersonal skills and attributes among the levels of proficiency 1 (to be able to recall), 2 (to be able to understand and apply) and 3 (to be able to analyse and evaluate): teamwork (forming effective teams, team operation, team growth and evolution, leadership, ability to work with different teams), communications (communications strategy and structure, spoken, written and electronic/multimedia communications, presentation), and communication in English (listening, speaking, reading and writing).

2.5.4 Ability to apply international finance knowledge into practice:

In completing the group assignment, discussions and presentation (but not limit to), students are able to identify the international financial issues; design the appropriate economic tools and models; assess the benefits and limitations of that tools and models in providing answers or solutions to questions or problems emerging from international financial activity.

III – TEXBOOKS AND REFERENCES:

3.1 Required textbook(s):

1. Paul Krugman and Maurice Obstfeld (2000). International Economics: Theory and Policy. Fifth edition. Addison Wesley. (Part III and Part IV, main textbook)
2. Robert J. Carbaugh (2000). International Economics. South Western College, USA.
3. Michael Melvin (2004). International Money and Finance. Pearson Education Inc. USA.

3.2 References:

4. Nguyễn Ninh Kiều (1999): Thị trường ngoại hối. NXB Thống kê. Hà Nội.
5. Paul R. Krugman và Maurice Obstfeld (1996): Kinh tế học Quốc tế: Lý thuyết và Chính sách. Tập II: Những vấn đề tiền tệ Quốc tế. NXB Chính trị Quốc gia. Hà Nội.
6. Nguyễn Thắng. Thâm hụt tài khoản vãng lai: nguyên nhân và giải pháp. Nghiên cứu kinh tế, No. 363, 8/2008
7. Nguyễn Văn Tiến: Tài chính Quốc tế hiện đại trong nền kinh tế mở. NXB Thống kê, Hà Nội, 2004.
8. Economic and Financial Websites: The websites listed below can serve as sources for students to get up-to-date information on contemporary issues and developments in the international forein exchange market, the international monetary system and Vietnam's exchange rate policies.

   http://www.imf.org

   http://www.oanda.com

   http://www.ft.com

   http://www.bis.org

   http://www.vietcombank.comvn

   http://www.ubs.com

   http://www.unctad.org

   http://www.worldbank.org

   http://www.saigontimes.com.vn

IV – ASSESSMENT AND GRADING:

4.1 Grading Distribution and Mechanism:

- *Attendance* (5%): All students are expected to attend at all sessions and participate actively in classroom discussion. The grade will be given for each student according to his/her attendance and active engagement on excercises and classroom discussion.
- *In-class contribution* (discussions, Q&As, chapter review, argument etc.) (5%): All students are expected to participate actively in class discussion. This includes evidence of thorough prior preparation of course materials, engaging in exercises, Q&As etc.

- *Group case presentation* (10%): In groups of 2-5 decided by the instructor(s) for each class, students will present their opinions for one of the cases in the text, as assigned. Presentations should be 10-15 minutes maximum. The template of group's presentation is given by the instructor(s) (might include analysis and recommendations). The criteria for assessing the group case presentation are (but not limited to):
  - ✓ The ideas/arguments/answers are relevant, appropriate and in full with the requirements of the case. Reference is required where appropriate (50%).
  - ✓ Good communications (e.g. speaking) for the ideas/arguments/answers (20%).
  - ✓ Good teamwork (10%)
  - ✓ Good time management (10%).
  - ✓ Neatly and nice/attractive form of presentation (10%).

  Failure to deliver presentation as assigned would result in no grade for the assigned group case presentation.
- *Group Assignment* (20%): In groups of 2-5 decided by the instructor(s), students will do their assignment of implementing and evaluating policies. The assignment will be submitted at the end of the course. The criteria for assessing the course project are (but not limited to):
  - ✓ The ideas/arguments/answers are relevant, appropriate and in full with the requirements of the course. Reference is required where appropriate (75%).
  - ✓ Good teamwork (10%)
  - ✓ Good time management in terms of both submission and presentation (5%).
  - ✓ Neatly and nice/attractive form of presentation (10%).
- *Final exam* (60%): This written examination will consist of a number of multiple choice questions, short answer questions and essays . It will cover all elements of the entire course, (including the concepts, cases, exercises, and discussions).

The overall grade for the course will be an weighted average of individual grades for attendance, classroom discussion, group presentation, group assignment and final exam.

4.2 Policy:

- Students are required to complete their homework and submit all the tasks given by the course instructor(s)/lecturer(s) in time.
- Students are required to adequately attend the class. They are required to actively participate in the clasrron discussion.
- The Code of Academic Integrity of the University addresses cheating, fabrication of submitted work, plagiarism, handing in work completed for another course without the instructor's approval, and other forms of dishonesty. For the first offense, a student who violates the Code of the University will receive 0 points for the assignment. The violation will be reported by the instructor(s) to the Dean's Office and recorded in the student's file. For the second offense, the student will be failed from the course and the reason noted on the student's official transcript.

V – LECTURE TOPIC CALENDAR:

Week	Teaching Methods	Main contents	Reading/Assignment	Note
1	*Course Introduction and Lecture*	• Course Introduction • **Chapter 1**: Foreign Exchange Market and the Exchange Rate	• Reading course syllabus. • Reading: 1(pp. 329-362)	
2	*Lecture*	• **Chapter 2:** The balance of payments	• Reading: 1(pp. 297-325)	
3	*Exercise, Presentaion and Discussion*	• *Individual exercises:* chapter 1 to chapter 2 • *Discussion 1*: Vietnam's balance of payments • *Discussion 2*: Vietnam's trade deficits • *Discussion 3*: US trade deficits	• Students answer the assigned questions and problems • Students read the material provided by the instructors and present about Vietnam's balance of payment)	
4	*Lecture*	• **Chapter 3**: The determination of the exchange rate: an asset-market approach	• Reading: 1(pp. 363-393)	
5	*Presentaion and Discussion*	• *Individual exercises:* chapter 3	• Students answer the assigned questions and problems	
6	*Lecture*	• **Chapter 4**: The theory of purchasing power parity (PPP)and generalized model of the exchange rate	• Reading: [1, pp. 394-436]	
7	*Exercise, Presentaion and Discussion*	• *Individual exercises:* chapter 4 • *Discussion:* Inflation and the exchange rate in reality	• Students answer the assigned questions and problems • Students read the material as assigned by the instructors	
8	*Lecture*	• **Chapter 5**: Output and the exchange rate in the short-run	• Reading: [1, pp. 437-469]	
9	*Exercise and Discussion*	• *Individual exercises:* chapter 5 • **Introduction of Group Assignment**	• Students answer the assigned questions and problems	
10	*Lecture*	• **Chapter 6**: Fixed Exchange Rate and Foreign Exchange Intervention	• Reading: [1, pp. 485-516]	
11	*Lecture*	• **Chapter 7**: International Monetary System	• Reading: [1, pp. 533-565]	
12	*Exercise and Discussion*	• *Individual exercises:* chapter 6, to chapter 7	• Students answer the assigned questions and problems	
13	*Lecture*	• **Chapter 8**: Global Capital	• Reading: [1, pp. 641-	

		Markets	674]	
14	*Lecture*	• **Chapter 9:** Developing countries and Financial Crisis	• Reading: [1, pp. 678-716]	
15	*Presentaion & Discussion*	• *Individual exercises*: Chapters 7,8 & 9 • *Discussion 1:Debt crisis in Latin America in 1980s* • *Discussion2*: Asian Financial Crisis in 1997	• Reading: Assigned materials • Students answer the assigned questions and problems	

Remarks:

- Suplementary materials will be provided by the instructors for classroom discussion/presentation.
- The key to successful completion of this course is to study consistently, allowing on average 8 hours per week, including the 3 contact hours.

Prepared by	**For Faculty of International Economics** International Economics Relations Unit	Dean of Faculty	**Approved by**
Son Hồng NGUYỄN	Anh Kim NGUYỄN	Dũng Anh VŨ	

Dũng Tiến NGUYỄN

Dung Việt TRẦN

Appendix: Evaluation scales

Instructor(s) will use the 4 scales (1: to be able to recall; 2: to be able to understand and apply; 3: to be able to reason; and 4: to be able to create) – in equal with the 6 scales of Bloom's taxonomy – given in the below Table to assess the level of proficiency of the students regarding to their achievement of the expected learning outcomes thorough the course. Students can also use these 4 scales to assess themselves the level of proficiency of the expected learning outcomes stated below.

Students' Level of proficiency	Bloom's Taxonomy	Key verbs to recognize the ability of students after the course (level of proficiency)
Level 1 (To be able to recall)	*Level 1*: (Remembering)	Memorizing; naming; recognizing; gathering data; observing; showing; recording; locating; identifying; recalling; telling; uncovering; listing; repeating; defining; explaining; investigating; pointing to; retrieving prior knowledge
Level 2 (To be able to understand and apply)	*Level 2 & 3*: (Understanding and applying)	*Understanding*: classifying; demonstrating; grouping; illustrating / exemplifying; rearranging; reordering; summarizing; inferring; relating; experimenting *Applying*: modeling; diagramming; performing; reporting; ordering; operating; executing / carrying out; using / implementing acquired data in new situations
Level 3: (To be able to reason)	*Level 4 & 5*: (Analyzing and evaluating)	*Analyzing*: comparing; attributing; discussing; contrasting; organizing; investigating; taking a part; deconstructing; focusing / selecting; solving; differentiating relevancy *Evaluating*: interpreting; critiquing; valuing; justifying; proving; deciding; monitoring; judging; rating; assessing; appraising
Level 4: (To be able to create)	*Level 6*: (Creating)	Imagining / generating / hypothesizing; designing / planning; inventing / producing / constructing; adapting / changing; improving / predicting; extending; developing; building; compiling