

《国际投资》课程教学大纲

《International Investment》 Course Syllabus

I 课程实施细则 Curriculum Details

一、教师信息 Teacher Information

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二、课程基本信息 Course Information

课程名称（英文） Course Name (English): International Investment

总学时 Class hour: 48 学分 Credit: 3

先修课程 Pre-requisites: Economics, Investment Theory

开设专业 Major: Master of Finance

考核方式 Test Style: Examination in the Classroom

三、课程简介 Course Description

This course focuses on the theory and practice of international investment and financial risk control. Provides investors the tools needed in conducting global investments under a competitive environment, as well as the analysis needed for global investment and portfolio management. It includes: the exchange rate quotation and various international parity theories; the determination and prediction of exchange rate; the international asset pricing theory and the application in international equity and bond investment; the risk control techniques available with derivatives and their application in foreign currency risk management.

四、教学内容与进度安排* Tentative Teaching Content and Schedule

周次 Times	授课内容及重难点 Content & Emphasize	授课形式 Teaching Forms	课外学习要求 Requirement for Extra-studying
1	Text Outline	Teaching & Discussion	Know the Scheme of this Course
2	Chapter 1: Currency Exchange Rates	Teaching & Discussion	Finish the problems of Chap1
3	Chapter 2: Foreign Exchange Parity Relations	Teaching & Discussion	Finish the problems of Chap2
4	Chapter 3: Foreign Exchange Determination and Forecasting	Teaching & Discussion	Finish the problems of Chap3
5-6	Chapter 4: International Asset Pricing	Teaching & Discussion	Finish the problems of Chap4
7-8	Chapter 5: Equity: Markets and Instruments	Teaching & Discussion	Finish the problems of Chap5
9	Review and Midterm Examination		
10	Chapter 6: Equity: Concepts and Techniques	Teaching & Discussion	Finish the problems of Chap6
11-12	Chapter 7: Global Bond Investing	Teaching & Discussion	Finish the problems of Chap7
13-14	Chapter 8: Derivatives: Risk Management with Speculation, Hedging, and Risk Transfer	Teaching & Discussion	Finish the problems of Chap8
15-16	Chapter 9: Currency Risk Management	Teaching & Discussion	Finish the problems of Chap9

(一) 教学目的和要求 goal and request

This course is designed to assist the student in understanding the theory and practice of global investment and financial risk control. After the class, students should understand the theory of determination of exchange rate and its interpretation and arbitrage implication; the theory of international parity condition and its application; the theory of international assets pricing and its application; the techniques in risk control and its application in currency risk management.

The main objectives of this course are to improve your ability to:

- Understand the quotation of foreign exchange rate, the interpretation and arbitrage implication;
- Explain the theory of international parity condition and its application in defining

real foreign currency risk;

- Understand the international asset pricing theory with attention to foreign currency risk and can skillfully use it in international equities and bonds pricing;
- Familiar with the risk control techniques and their application in currency risk management.

Requirements:

- Be punctual for class;
- No cheating in exams;
- Preview and review timely;
- Participating in class discussion actively.

(二) 基本教学内容 **basic content**

授课内容及重难点

Content & Emphasize

Text Outline

- Chapters 1 - 3 set out the foundation of exchange rates.
- Chapters 4 - 7 explore the various assets available for international investing.
- Chapters 8 -9 develop the techniques of global investment and portfolio management.

Chapter 1: Currency Exchange Rates

- §1.1 currency exchange rate quotations (direct and indirect; spot and forward)
- §1.2 cross-rate calculations
- §1.3 nature of bid-ask quotes and spreads
- §1.4 calculation of forward premiums/discounts on exchange rates.
- §1.5 covered interest rate parity
- §1.6 covered interest arbitrage

Chapter 2: Foreign Exchange Parity Relations

- §1.1 Foreign exchange fundamentals; in particular the balance of payments and exchange rate regimes.
- §1.2 Describe the factors that cause a nation's currency to appreciate or depreciate.
- §1.3 International parity relations.
- §1.4 Define and discuss the International Fisher relation.
- §1.5 Discuss the implications of the parity relationships combined.

- §1.6 Exchange rate determination theories and their potential implications.
- §1.7 Discuss the asset markets approach to pricing exchange rate expectations.

Chapter 3: Foreign Exchange Determination and Forecasting

- §1.1 the evolution of international monetary arrangements
- §1.2 the empirical evidence on parity relations
- §1.3 various methods of exchange rate forecasting
- §1.4 the use and performance of exchange rate forecasting
- §1.5 use of forecasts for different type investors.

Chapter 4: International Asset Pricing

- §1.1 The valuation and portfolio implications of international asset pricing.
- §1.2 International asset pricing models (ICAPM).
- §1.3 Domestic CAPM vs. ICAPM
- §1.4 The relation between exchange rates and asset prices.

Chapter 5: Equity: Markets and Instruments

- §1.1 Historical differences in market organization.
- §1.2 Market size
- §1.3 Liquidity
- §1.4 Concentration
- §1.5 Practical aspects (taxes, market indexes, information availability)
- §1.6 Alternatives to direct international investing (ADRs, GDRs, ETFs, Open-end funds, Closed-end funds)

Review and Midterm Examination

Chapter 6: Equity: Concepts and Techniques

- §1.1 Major differences in national accounting standards.
- §1.2 Trends in economic growth
- §1.3 Global industry analysis
- §1.4 Global financial analysis using the DuPont equation.
- §1.5 Effects of inflation on valuation.
- §1.6 Multifactor models in a global context.

Chapter 7: Global Bond Investing

- §1.1 Global bond market statistics
- §1.2 Major differences among bond markets
- §1.3 The international bond markets
- §1.4 Emerging markets bonds, Brady bonds
- §1.5 Bond quotations, conventions and valuation
- §1.6 Duration of a bond
- §1.7 Various sources of return and risk from an international bond.
- §1.8 Various stages of international bond management.

- §1.9 Floating rate notes (FRN).

Chapter 8: Derivatives: Risk Management with Speculation, Hedging, and Risk Transfer

- §1.1 Forward and futures contracts valuation.
- §1.2 Swaps valuation
- §1.3 Option valuation
- §1.4 Describe various hedging strategies.
- §1.5 The various uses of options in speculation, and insurance of a portfolio.

Chapter 9: Currency Risk Management

- §1.1 Demonstrate how to protect a portfolio against currency risks.
- §1.2 Demonstrate how to hedge the currency value of a foreign investment.
- §1.3 Discuss the factors to consider in hedging the future value of a foreign investment.
- §1.4 Hedging with futures and forward currency contracts
- §1.5 Insuring and hedging with currency options
- §1.6 Discuss the various factors that can influence the strategic currency hedging policy.
- §1.7 Various approaches to currency overlay management.

(三) 教材和主要参考资料 Textbook and reference material

- **Textbook:**

Global Investment (6th Edition), Bruno Solnik, Dennis Mcleavey, 中国人民大学出版社, ISBN: 9787300117928

- **Reference Book:**

The Financial System and Economy (4th Edition), Burton, Lombra, 伯顿, 隆贝拉, 中国人民大学出版社, ISBN: 9787300080192

Fundamentals of Corporate Finance (5th Edition), Brealey, Myers, Marcus, 布雷利, 迈尔斯, 马库斯, 中国人民大学出版社, ISBN: 9787300079912

Basic Investments, Herbert B. Mayo, 赫伯特 B 梅奥, 中国人民大学出版社, ISBN: 9787300081557

International Finance (15th Edition), Thomas A. Pugel, 中国人民大学出版社, ISBN: 9787300163444

International Economics Theory and Policy (9th Edition), Paul R. Krugman, Maurice Obstfeld, Marc J. Melitz, 清华大学出版社, ISBN 9-787302442325

- **Reference material:**

- <http://www.safe.gov.cn> 国家外汇管理局
- <http://www.pbc.gov.cn/> 中国人民银行
- <https://wall-street.com/> Wall Street Journal 华尔街日报（美）
- <https://www.ft.com/> Finance Time 金融时报（英）
- <http://www.ftchinese.com/FT> 中文网
- <https://www.reuters.com/> 路透新闻网（英）
- <http://www.hexun.com/> 和讯网
- <http://www.imf.org> 国际货币基金组织
- <http://www.federalreserve.gov> 联邦储备委员会

七、学习评价方案 Grading

The final course grade will be determined on the basis of the following:

Attendance	20%
Examinations, homework and performance in the class	30%
Final Examination	50%
TOTAL	100%