

OSTIM TECHNICAL UNIVERSITY
FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES
INTERNATIONAL TRADE AND FINANCE DEPARTMENT
COURSE SYLLABUS FORM
2023-2024 FALL

ITF 405 International Financial Markets and Institutions							
Course Name	Course Code	Period	Hours	Application	Laboratory	Credit	ECTS
International Financial Markets and Institutions	ITF 405	7	3	0	0	3	4

Language of Instruction	English
Course Status	Compulsory
Course Level	Bachelor
Learning and Teaching Techniques of the Course	Lecture, Theoretical teaching, Question-Answer, Practical Problem Solving

Course Objective
The aim of this course is to understand some financial instruments and international financial markets. In this course, students will learn international financial markets, financial decision-making approach, time value of money, value of a portfolio, and some financial instruments.

Learning Outcomes
The students who become successful in this course will be able;
<ol style="list-style-type: none"> 1. To understand the basic concepts of international financial markets and institutions. 2. To explore the importance of international financial markets and institutions in business life. 3. To have knowledge on subjects such as international standards, international finance, foreign exchange management. 4. To understand how financial decision making is used in order to evaluate a business problem. 5. To have knowledge on subjects such as international portfolio financial markets and institutions and some important finance theories (CAPM, EMH).

Course Outline
International financial markets and institutions, basic concepts of financial statement, international financial ratios, interest rates, bond pricing, international financial decision making, value of an international portfolio, Capital Asset Pricing Model, foreign exchange markets, arbitrage and International Fisher Effect, forward / spot prices, interest rate parity types, derivatives, Efficient Market Hypothesis.

Weekly Topics and Related Preparation Studies		
Weeks	Topics	Preparation Studies
1	Introduction to International Financial Markets and Institutions - I	Historical and current positions of international financial markets and Institutions
2	Introduction to International Financial Markets and Institutions - II	Historical and current positions of international financial markets and Institutions
3	Basic Financial Statements	Basic Concepts of Accounting, Financial Statements Tables
4	Ratio Analysis	Different international financial ratios
5	Value of an International Portfolio – I	Return, risk, coefficient of variation, portfolio return and risk calculations
6	Value of an International Portfolio – II	Systematic and Specific Risk
7	MIDTERM EXAM	
8	Time Value of Money and Bond Pricing	Interest rates, bond pricing etc.
9	Financial Decision Making	Comparison of different financial decision-making methodologies (Net Present Value, Internal Rate of Return, PBP etc.).
10	Capital Asset Pricing Model (CAPM)	Assumptions, applications of the model
11	Introduction to International Finance and FX Markets	Basics of international finance and foreign exchange markets.

12	Arbitrage and International Fisher Effect in FX Markets	Law of One Price, arbitrage, International Fisher effect
13	Interest rates and FX Markets in International Markets	Forward / spot prices, interest rate parity types and their applications
14	Derivatives	Options, futures, forwards and swaps
15	Efficient Market Hypothesis (EMH)	Weak form, semi-strong form, strong form efficiencies and some basic market anomalies
16	FINAL EXAM	

Textbook(s)/References/Materials:

Textbooks:

- Cuthbertson, K., Quantitative Financial Economics Stocks, Bonds and Foreign Exchange, John Wiley and Sons, 1999.
- Jones, C., Financial Economics, Routledge, 2008.
- Madura, J., International Financial Management, Cengage Learning, 2020.
- McLaney, E., Business Finance Theory and Practice, Pearson, 2017.
- Miskhin, F.S. and Eakings, S.G., Financial Markets and Institutions, 2018.
- Stephen F. LeRoy and Jan Werner, Principles of Financial Economics, Cambridge University Press, 2000.

Assessment

Studies	Number	Contribution margin (%)
Attendance		
Lab		
Class participation and performance		
Field Study		
Course-Specific Internship (if any)		
Quizzes / Studio / Critical		
Homework		
Presentation		
Projects		
Report		
Seminar		
Midterm Exam/Midterm Jury	1	40
General Exam / Final Jury	1	60

Total		100
Success Grade Contribution of Semester Studies		40
Success Grade Contribution of End of Term		60
Total		100

ECTS / Workload Table			
Activities	Number	Duration (Hours)	Total Workload
Course hours (Including the exam week): 16 x total course hours)	16	3	48
Laboratory			
Application			
Course-Specific Internship (if any)			
Field Study			
Study Time Out of Class	24	1	24
Presentation / Seminar Preparation			
Projects			
Reports			
Homework			
Quizzes / Studio Review			
Preparation Time for Midterm Exams / Midterm Jury	1	24	24
Preparation Period for the Final Exam / General Jury	1	30	30
Total Workload	(126/25 = 5.04)		126

Course' Contribution Level to Learning Outcomes						
Nu	Learning Outcomes	Contribution Level				
		1	2	3	4	5
L01	To understand the basic concepts of international financial markets and institutions.					X
L02	To explore the importance of international financial markets and institutions in business life.					X
L03	To have knowledge on subjects such as international standards, international finance, foreign exchange management.					X
L04	To understand how financial decision making is used in order to evaluate a business problem.					X
L05	To have knowledge on subjects such as international portfolio financial markets and institutions and some important finance theories (CAPM, EMH).					X

**Relationship Between Course Learning Outcomes and Program Competencies
(International Trade and Finance)**

Nu	Program Competencies	Learning Outcomes					Total Effect (1-5)
		L01	L02	L03	L04	L05	
1	Have advanced theoretical and up-to-date knowledge in discipline-specific areas such as international trade, finance, logistics, and general business and international business such as economics, marketing, management, accounting.	X	X	X	X	X	5
2	Evaluate, follow, absorb and transfer new information in the field of international trade.	X	X	X			3
3	Conduct market research, carry out projects and develop strategies for a business to open up to international markets.		X	X	X	X	4
4	Use knowledge of national and international trade law and legislation in the management of international commercial operation processes.		X	X			2
5	Work independently and within an organization, using the knowledge and skills acquired in the field and adopting continuous learning.	X	X	X	X	X	5
6	Have the ability to apply her theoretical knowledge in real life, with the experience she will gain through practice in departments such as marketing, accounting, foreign trade, finance, logistics.	X	X	X	X	X	5
7	Have the theoretical knowledge to carry out export, import, customs clearance, logistics, taxation and other international trade activities			X	X		2
	within the scope of global and regional commercial and economic organizations.						
8	Can develop a business idea, commercialize the business idea, and design and manage their own venture using their entrepreneurial knowledge.		X	X	X		3
9	Using strategic, critical, innovative and analytical thinking skills, actively take part in the decision-making processes of the enterprise in the field of foreign trade and finance.	X	X	X	X	X	5
10	Act in accordance with ethical values, respectful to the environment, social and universal values in all activities it will carry out in its field.						-

11	Have the skills to follow up-to-date information at national and international level, to gather information about field, and to communicate with international institutions / organizations using her/him knowledge of English and a second foreign language of her choice.		X				1
12	Gain professional competencies to take charge in national and international businesses, public and private sector organizations	X	X	X			3
13	Can evaluate the problems and conflicts encountered in all areas related to international trade from different perspectives with a holistic approach and produce value-based solutions.			X	X		2
Total Effect							40

Policies and Procedures

Web page: <https://www.ostimteknik.edu.tr/uluslararasi-ticaret-ve-finansman-bolumu-209/25>

Exams: The exams aim at assessing various dimensions of learning: knowledge of concepts and theories and the ability to apply this knowledge to real world phenomenon, through analyzing the situation, distinguishing problems and by suggesting solutions.

The written exams can be of two types, i.e. open-ended questions, which can also be in the form of problems or multiple-choice questions.

Exams are composed of a final exam comprising 60% of the student's grade and a mid-term exam, with less weight.

The Department of Economics does not tolerate any act of academic dishonesty. Examinations are individual and must be completed without any outside assistance. Students who attempt to cheat during exams will receive a failing grade from that exam. The case could also be carried to the Dean's Office for additional disciplinary action.

Missed exams: Any student missing an exam needs to bring an official medical report to be able to take a make-up exam.

Attendance: Attendance requirements are announced at the beginning of the term. Student are usually expected to attend at least 70% of the classes during each term.

Objections: If the student observes a material error in his/her grade, he/she has the right to place an objection to the Faculty or the Department. The claim is examined and the student is notified about its outcome.