

Course title	<i>International Trade and Finance</i>
Credits	6 ECTS
University	UCM
Language of the course	Spanish
Learning outcomes	<p>LO3: Be able to reflect on the role of Europe in the world, not the least by being equipped to grasp the complex multi-dimensional historical and contemporary relations between Europe and other countries, societies and regions and/or continents.</p> <p>LO4: Be able to grasp the need for a general knowledge of different conceptual, theoretical and methodological perspectives to analyze and understand the European Union, and consequently:</p> <ul style="list-style-type: none"> ● use various conceptual frames, theoretical approaches and methodological tools, that attempt to provide answers to the fundamental and practical questions that the European project is confronted with; ● utilize means of comparison to answer to which degree similarities and differences across Europe exist, and how they define Europe at large; <p>LO6: Have developed a large set of transversal skills which students need to master in their future domestic and international work environments, so that they are equipped to use organizational, inter-cultural communication, language and information skills, when confronted with the challenges of daily professional practice. Being immersed in a multi-disciplinary, multi-multilingual and multi-cultural study environment at different universities allows all students to sharpen their skills to combine intra-European mobility with their study-related workload in a structured and effective manner on a daily basis; to understand and communicate issues from and across different cultural, European and international perspectives; to process knowledge and information in a timely, accurate, and efficient way and to seek solutions with student peers across cultural and linguistic boundaries throughout their studies.</p> <p>LO7: Have acquired analytical skills to conduct research under supervision, as well as present and report, clearly and comprehensively, both orally and in written form knowledge concerning questions of European Studies so that overall, students are able to formulate research questions, understand academic literature, collect and analyse data, critically reflect on research findings and weave this into the scientific-academic presentation of their own research results.</p>
Course objectives	<ul style="list-style-type: none"> ● By completing the course, the student is in the position to identify the motives and means of servicing foreign markets, address controversial issues in international trade & business, formulate their own international business plans, and appreciate the factors that drive performance in the global economy. ● The course has a practical focus and the student will acquire the necessary skills to plan operations, document management and the necessary software use to carry out real foreign trade operations and their counterparts and hedging in their financial aspect. ● Acquire the necessary skills to carry out real foreign trade operations and their financing and hedging. At the end of the course, students should have sufficient practical training to know how to carry out all the commercial, customs and banking procedures related to the performance of a foreign trade operation. ● Problem-solving ability. Finds solutions and makes a fixed and decisive determination to solve a doubt or problem about international trade or financial questions. ● Use of software in logistics processes (Quick Pallet Maker)

	<ul style="list-style-type: none"> • Use of software in Forex Market to design and apply real operative with spot, forward, futures and options in currency markets. • Transversal skills: students are intended to link the environmental trade and design of operational systems with its financial counterpart. <p>The students must discuss and work in group different activities and practical exercises, case studies.</p>
Content	<p>Introduction.</p> <p>I. GLOBAL ECONOMIC STRUCTURE - Evolution of the international economy from the Second World War to the present day. The globalization process and its impact on economic activity. Conjectural analysis of the trade structure and FDI Use of the reports of international organizations. International Data Bases to build commercial ratios and indicators.</p> <p>II. GLOBALIZATION AND REGIONALIZATION OF THE WORLD ECONOMY.- The most dynamic sectors of globalization.- The regionalization of the world economy, with special reference to the EU.- The real economy and the financial economy.</p> <p>Trade</p> <p>III. INTERNATIONAL TRADE. Structure of world trade in goods - International trade in services - Types of foreign trade - Special foreign trade regimes: processing traffic, compensation trade - Triangular operations - Incoterms.</p> <p>IV. MEANS OF PAYMENT AND FINANCING FOR FOREIGN TRADE. The transfer and payment order. Commercial, auxiliary and financial documents in foreign trade operations. -Documentary credit and its modalities. Leasing and factoring. Practical cases. Risk coverage in international trade operations. Commercial paper discounts.</p> <p>VI. INTERNATIONAL TRANSPORT: transport and logistics management. International transport documents (Documentary and customs management). International combined transport and multimodal means of transport. Documents to international transportation.</p> <p>Finance</p> <p>VII. FOREIGN EXCHANGE MARKET. -How the foreign exchange market works. -Spot and forward transactions. -Hedging systems. OTCs. Case studies.</p> <p>VIII. FINANCIAL DERIVATIVES. Options and futures transactions. Hedging and speculation positions. Call, Put, Spreads. Clearing house functions. Application to the foreign exchange market. Derivatives in other markets.</p> <p>IX. INVESTMENT VALUATION: International investment valuation systems. NPV, IRR, Pay Back. Investment valuation using real options. International risks and portfolio diversification.</p> <p>X.INTERNATIONAL FINANCE (II) - The international financial system. Financial architecture. Markets and regulations. Risks and hedging. SWAPs on currencies. Portfolio diversification and immunization.</p>
Work format(s)	<p>The working method consists of:</p> <ul style="list-style-type: none"> - Presentation of key and theoretical concepts about trade and finance. (Approximately three hours every two weeks). - Practical exercises and case studies. - Software learning sessions: logistics and finance. - Exercises in in-class practical sessions (about one hour every two weeks). <p>Design of a real Trade and Financial plan (Import/Export plan).</p>
Manner of assessment	<p>The assessment instruments and their corresponding weights are:</p> <ul style="list-style-type: none"> - Exam, 50%. - Practical exercises and case studies (20%) - Design of a real Trade and Financial plan (Import/Export plan) (30%)

Literature (required/ recommended)	<p>Readings and materials for each unit will be extracted from:</p> <ul style="list-style-type: none"> - Krugman, P. R. (1994). <i>Rethinking international trade</i>. MIT press. - Jonathan, R and Sherlock, J. (2013): <i>International Trade: An Essential Guide to the Principles and Practice of Export</i> . ICC. UK. - Gani, A. (2017). The logistics performance effect in international trade. <i>The Asian Journal of Shipping and Logistics</i>, 33(4), 279-288. - Roberts, A., Choer Moraes, H., & Ferguson, V. (2019). Toward a geoeconomic order in international trade and investment. <i>Journal of International Economic Law</i>, 22(4), 655- 676. - Baier, S. L., Kerr, A., & Yotov, Y. V. (2018). Gravity, distance, and international trade. In <i>Handbook of international trade and transportation</i>. Edward Elgar Publishing. - Wang, D. F., Dong, Q. L., Peng, Z. M., Khan, S. A. R., & Tarasov, A. (2018). The green logistics impact on international trade: Evidence from developed and developing countries. <i>Sustainability</i>, 10(7), 2235. - Azmeh, S., Foster, C., & Echavarri, J. (2020). The international trade regime and the quest for free digital trade. <i>International Studies Review</i>, 22(3), 671-692. - Kim, S. M. (2021). Overview of Payment Methods. In <i>Payment Methods and Finance for International Trade</i> (pp. 51-62). Springer, Singapore. - Madura, J. (2020). <i>International financial management</i>. Cengage Learning. - Shapiro, A. C., & Hanouna, P. (2019). <i>Multinational financial management</i>. John Wiley & Sons.
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