

<b>Course title</b>		International Settlements						<b>ECTS code</b>		14.3.EM.KZ.57		
								<b>ECTS credits</b>		7		
<b>Name of unit administrating study</b>		IHZ		<b>Field of study</b>		MSG**		<b>Field of specialisation</b>		IB;		
<b>Teaching staff</b>		Iwona Sobol, PhD ; Magdalena Mosionek-Schweda, PhD ; Monika Szmelter, Ph.D.										
<b>Number of hours</b>												
<b>Lectures</b>	30	<b>Classes</b>	15	<b>Tutorials</b>	0	<b>Laboratory</b>	0	<b>Seminars</b>	0	<b>Language classes</b>	0	
<b>Forma aktywności</b>							<b>Year&amp;Type of studies*</b>		3 SS1,			
Hours with the participation of the academic teacher (including office hours, exams, others):							<b>Semester:</b>		5,			
Hours without the participation of the academic teacher (student's self-study, homeworks):							<b>Type of course:</b>		obligatory			
Total number of hours:							0		<b>Language of instruction:</b>		English	
<b>Teaching form</b>	in-class learning											
<b>Teaching methods</b>	Lectures including multimodal presentations, Activating methods in training classes, Wykorzystanie anglojęzycznych źródeł											
<b>Prerequisites (required courses and introductory requirements)</b>												
<b>Required courses</b>	The completion of Finance and International Business Transactions courses is necessary.											
<b>Introductory requirements</b>	The knowledge of basics of finance and principles applied in conducting international business transactions is necessary.											
<b>Assessment method, forms and criteria</b>												
<b>Assessment method</b>	Exam											
<b>Assessment criteria</b>	Written test as a form of evaluation of the lectures. It is based on the knowledge from the lectures and additional reading material. The classes's assessment will include final written test. The participation in the classes is obligatory.											
<b>Course objectives</b>												
<p>1. Offering the students the detailed knowledge of international settlements and foreign trade financing.</p> <p>2. Teaching the students different forms of payment and finance, used in international trade and motives for their right choice.</p> <p>3. Familiarizing the students with different forms of risk, relating to international settlements and methods, reducing those risks.</p>												
<b>Learning outcomes</b>												
<b>Knowledge</b>	MSG1_W02	A student has basic and systematically ordered knowledge of international settlements being a part of international economic relations. A student also knows the basic terminology referring to international settlements.										
	MSG1_W06	A student has basic and systematically ordered knowledge of operations of the enterprises in international environment. This knowledge includes among others: settlements of foreign trade transactions, risks resulting from international trade transactions, tools of finance of international trade.										
	MSG1_W16	A student knows the principles of concluding and settling foreign trade contracts.										
<b>Verification of learning outcomes - Knowledge</b>												
<b>Outcomes</b>	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project	
MSG1_W02			X		X			X				
MSG1_W06	X		X		X			X				
MSG1_W16	X		X		X			X				

Skills	MSG1_U02	A student can apply basic theoretical knowledge of international settlements while working in the enterprises engaged in foreign exchange trade and in the banks supporting the international activities of those enterprises.
	MSG1_U05	A student can apply regulations standards from area of international settlements.
	MSG1_U06	A student can apply acquired knowledge to take up new challenges, solve dilemmas in her/his professional work concerning concluding and settling international trade transactions.
	MSG1_U09	A student can apply concepts and rules referring to international settlements in a right way.
	MSG1_U11	A student can identify risks resulting from international activities of enterprises (including credit, currency risk, exporter's performance risk) and evaluate the consequences of those risks.
	MSG1_U12	A student can apply hedging tools protecting from risks, indicated in MSG1_U11.
	MSG1_U16	A student knows terminology, concerning international settlements.

**Verification of learning outcomes - Skills**

Outcomes	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project
MSG1_U02	X		X				X	X	X		
MSG1_U05	X		X						X		
MSG1_U06								X	X		
MSG1_U09	X		X								
MSG1_U11			X					X			
MSG1_U12	X		X		X				X		
MSG1_U16	X		X								

Attitudes	MSG1_K01	A student recognises her/his limitations in knowledge and capabilities in the area of international trade settlements. Moreover she/he knows that the environment changes, that is why she/he understands the need to learn all her/his life. She/he sets personal development objectives.
	MSG1_K03	A student communicates well with the environment and can set priorities, resulting in meeting individual and corporate goals. A student takes responsibility for her/his action.

**Verification of learning outcomes - Attitudes**

Outcomes	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project
MSG1_K01									X		
MSG1_K03								X	X		

**Course contents**
**1. The main rules applied by banks while conducting international settlements**

- nostro and loro accounts, correspondent banking,
- settlements systems - ELIXIR, TARGET
- Single European Payments Area (SEPA)

**2. Means of payments in international trade - bill of exchange (B/E) and promissory note (P/N)**

- definition and forms of B/E and P/N
- elements of B/E and P/N
- functions of B/E and P/N

3. Means of payments in international trade - cheque and payment order

- definition and forms of cheque
- elements of cheque
- functions of cheque
- payment order

4. Methods of payments in international trade

- definition and forms of documentary collection
- advantages and disadvantages of documentary collection from exporter and importer perspectives - definition and forms of letter of credit
- advantages and disadvantages of L/C from exporter and importer perspectives

5. Banking guaranties in international trade

- definitions and forms of guaranties
- guaranty clauses

6. International trade finance tools

- definition, functions and forms of factoring
- advantages and disadvantages of factoring
- factoring worldwide networks - Factors Chain International and International Factors Group
- definition and forms of forfaiting
- advantages and disadvantages of forfaiting
- forfaiting worldwide organisation - International Forfaiting Association
- comparison of factoring and forfaiting

9. Foreign exchange market and currency risk

- size, structure and functions of fx market
- spot transactions
- currency risk and foreign exchange position
- internal hedging

10. Forward and swap transactions

- definition of outright forward
- calculation of forward rate
- NDF transactions - definition and application
- Polish and world market of forward transactions
- fx swaps - definition and application
- Polish and world market of fx swaps

11. Currency futures

- definition and origin of currency futures
- application
- Polish and world market of currency futures

12. Currency options

- definition of currency option
- forms of currency options (call and put, OTC and exchange-traded, European and American, in the money, at the money, out of the money)
- factors influencing option premium

13. Main actors of fx market

- central banks
- commercial and investment banks (dealing room)
- non-bank financial institutions
- enterprises
- individuals

14. Currency convertibility

- convertibility standards
- Polish way to total convertibility

Recommended reading lists

Obligatory reading

Blajer A., Documentary Credits in International Trade Transactions under New ICC Rules (UCP 600), Oficyna Wydawnicza



Branta, Bydgoszcz-Łódź 2009.

Eiteman D., Stonehill A., Moffett M., *Multinational Business Finance*, International Edition 11th, Pearson Education, 2006.

Additional reading

Salinger F., *Factoring Law and Practice*, Sweet & Maxwell, 2005.

Sobol. I., *Factoring as a tool of financing of Polish exporters*, (in): *Polish Transformation Experience, Working Papers*, ed. J. Pietrzak, Institute of International Business, University of Gdańsk, FRUG, Sopot 2006.

Sobol I., *Forwards and Options on Polish Foreign Exchange Market*, Transcom 2009, University of Zilina, Zilina 2009.

Taylor F., *Mastering Foreign Exchange & Currency Options: a Practical Guide to the New Marketplace*, FT Press, 2004.

Contact

[isobol\(at\)ek.univ.gda.pl](mailto:isobol(at)ek.univ.gda.pl), [magdams@ug.edu.pl](mailto:magdams@ug.edu.pl), [monika.szmelter@wp.pl](mailto:monika.szmelter@wp.pl),

\* SS1- undergraduate studies \* SS2 - graduate studies \* SDang - doctoral studies

\*\* MSG - International Economic Relations