

Course title		International Settlements						ECTS code		14.3.EM.KZ.57		
								ECTS credits		4		
Name of unit administrating study		IHZ		Field of study		MSG**		Field of specialisation		IB;		
Teaching staff		Iwona Sobol, Habilitated doctor ; Magdalena Mosionek-Schweda, Habilitated doctor ; Monika Szmelter, Ph.D.										
Number of hours												
Lectures	30	Classes	15	Tutorials	0	Laboratory	0	Seminars	0	Language classes	0	
Forma aktywności							Year&Type of studies*		3 SS1,			
Hours with the participation of the academic teacher (including office hours, exams, others):						63	Semester:		5,			
Hours without the participation of the academic teacher (student's self-study, homeworks):						37	Type of course:		obligatory			
Total number of hours:						100	Language of instruction:		English			
Teaching form		in-class learning										
Teaching methods		Lectures including multimodal presentations, Activating methods in training classes, The use of English-language sources and scientific literature (academic English)										
Prerequisites (required courses and introductory requirements)												
Required courses		The completion of Finance and International Business Transactions courses is necessary.										
Introductory requirements		The knowledge of basics of finance and principles applied in conducting international business transactions is necessary.										
Assessment method, forms and criteria												
Assessment method		Exam										
Assessment criteria		Written test as a form of evaluation of the lectures. It is based on the knowledge from the lectures and reading material. The classes's assessment will include final written test. The participation in the classes is obligatory.										
Course objectives												
<ol style="list-style-type: none"> Offering the students the detailed knowledge of international settlements and foreign trade financing. Teaching the students different forms of payment and finance, used in international trade and motives for their right choice. Familiarizing the students with different forms of risk, relating to international settlements and methods, reducing those risks. The implementation of advanced academic English vocabulary in economics and finance. 												
Learning outcomes												
Knowledge		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.									
Verification of learning outcomes - Knowledge												
Outcomes		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							

MSG1_W06	X		X								
MSG1_W16	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								
MSG1_U05	X		X						X		
MSG1_U06									X		
MSG1_U09	X		X								
MSG1_U11			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								

Course contents

- The main rules applied by banks while conducting international settlements
- 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
- 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
4. International trade finance tools
- definition, functions and forms of factoring
 - advantages and disadvantages of factoring
 - factoring worldwide network - FCI
 - definition and forms of forfaiting
 - advantages and disadvantages of forfaiting
 - forfaiting worldwide organisation - International Forfaiting Association
 - comparison of factoring and forfaiting
5. Foreign exchange market and currency risk
- size, structure and functions of fx market
 - spot transactions
 - currency risk and foreign exchange position
 - internal hedging
6. 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
7. Currency futures
- definition and origin of currency futures
 - application
 - Polish and world market of currency futures
8. 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
9. Main actors of fx market
- central banks
 - commercial and investment banks (dealing room)
 - non-bank financial institutions
 - enterprises
 - individuals

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 14th, Pearson Education, 2016.

Additional reading

Grath A., The Handbook of International Trade and Finance, Kogan Page, London 2016.

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.



Sobol I., Szmelter M., Non-deliverable forwards - factors of development and market structure, "Przegląd Prawno-Ekonomiczny", 2022, nr 1.

Sobol I., Szmelter M., Retail investors in the foreign exchange market, "Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu, 2020, vol. 64, nr 6.

Szmelter M., FX prime brokerage industry, "International Business and Global Economy" 2016, nr 35/2.

Contact

iwona.sobol@ug.edu.pl, magdams@ug.edu.pl, monika.szmelter@ug.edu.pl,

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

** MSG - International Economic Relations