

International Financial Markets

- A Risk Management Approach

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Office Hour: by appointment

Preliminary arrangement:

(1) Introduction of International Financial Markets

Exchange Rate Determinations: International Parity Conditions and International Asset Linkages

Derivative Security Markets: Futures, Options, and SWAPs (currency and interest rate)
Exchange Rate Market Efficiency and Forecasting

(2) International Risk Management for Multinational Corporations

Transaction Exposure and Management

Operating Exposure and Management

Accounting Exposure and Management

Interest Rate Exposure and Management

Advanced Topics in Corporate Risk Management

(3) Risk Management for Financial Institutions

Management Risk on the Balance Sheet I: Credit Risk

Management Risk on the Balance Sheet II: Liquidity Risk

Management Risk on the Balance Sheet III: Interest Rate and Insolvency Risk

Derivatives and Asset Securitization

Grading:

Midterm 11/12/2007 (25%) 、 Final 01/14/2008 (35%) 、 Presentation and class participation (40%)

Text book:

(Selected) International Financial Markets – Prices and Policies, 2nd edition, by Levich, McGraw-Hill, 2001. [Part 1 & 2]

(Selected) Financial Markets and Institutions: An Introduction to the Risk Management Approach, 3rd Edition, by Saunders and Cornett, McGraw-Hill, 2007. [Part 3]

(Selected) Risk Management and Financial Institutions, by Hull, Pearson, 2007.

Note: Extra readings are required. The cases and readings will be assigned along the progress of the class.