# INTERNATIONAL FINANCE

Finance 470 • Fall 2026

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## COURSE DESCRIPTION

International finance shapes some of the most important decisions managers make: where to invest, how to compete globally, how to finance investments, how to respond to interest rate and exchange rate movements, and how to manage risk in an interconnected world.

The objective of this course is to help you master the core concepts of international finance so that you can ask informed questions, interpret evidence, and make better managerial and investment decisions.

You will also learn how to use AI coding agents to automate analysis and increase productivity while maintaining economic judgment, critical thinking, and effective communication.

The class follows a four-stage learning process:

**Understand → Implement → Automate → Synthesize**

The goal is not simply to learn international finance, but to develop the ability to think independently, evaluate evidence critically, and use AI effectively.

**1. Understand — Build conceptual foundations**
Learn the core ideas and frameworks of international finance so that you understand the economic mechanisms behind global markets and know which questions matter.

**2. Implement — Perform the analysis yourself**
Carry out the analysis manually to develop intuition, understand assumptions, and build the expertise needed to evaluate and challenge AI-generated output.

**3. Automate — Scale analysis using AI**
Use AI coding agents to generate code, perform analysis, and increase productivity while supervising, validating, and interpreting results.

**4. Synthesize — Build a personal knowledge system**
Transform analysis into durable knowledge by creating notes, summaries, visualizations, and reusable analytical tools that support long-term learning and better decision-making.

**Topics**

The topics covered in this course form part of the essential toolkit of a successful manager:

- How monetary policy works and how it affects exchange rates, interest rates, inflation, and economic activity
- How the international financial system operates and the implications of innovations such as stablecoins and other cryptocurrencies
- Forecasting exchange rates in the short and long run
- Understanding exchange rate volatility and its implications for business performance and profitability
- Protecting firms from exchange rate fluctuations through operational hedges, simple financial hedges, forwards, and options
- Understanding the carry trade and other currency speculation strategies
- Evaluating and managing foreign investments and international capital allocation decisions
- Communicating international financial analysis clearly and persuasively to support managerial decisions

## PREREQUISITES

The only prerequisite for the course is Finance 430.

Students should have access to an AI coding agent (for example, OpenAI Codex or Claude Code) installed on their computer. **No prior coding experience is required.**

## CLASSES

We will meet twice per week for 90 minutes.

Please bring your nameplate to class.

To encourage engagement and discussion, the use of computers, cell phones, and other electronic devices is not permitted during class except for designated exercises and AI-based activities.

## EVALUATION

Your course grade will be based on homework assignments, individual weekly in-class quizzes, and simulations. There are no exams.

During quizzes, you may refer only to your own handwritten notes; no other materials are permitted.

Each quiz may be retaken once, and the higher grade will count toward the final evaluation.

## COURSE MATERIALS

The case packet includes the slides used in class.

All course materials, including readings, quizzes, simulations, and assignments, will be available on Canvas.