

Seminar (Master)

International FinanceTarget Groups:

- CRM (2019), Modul V.2: Seminar zum Risikomanagement (exam number MS-CRM-M14-P)
- M&M (2019): Module II.14 Selected Topics in Economic Policy for MM (exam number 3MMMA013-P1)
- M&M (2019): Module III.10 Selected Topics in Economic Policy for MM (exam number 3MMMA013-P1)

Room:Time: Friday, 10.15 – 11.45Start: Friday, April 16, 2021 (Introduction)ECTS: 8 for foreign short-term students (other students: according to the corresponding examination regulations)

Learning outcome: The seminar treats selected topics from the fields of international financial management and markets. The student should thereby acquire a deeper understanding of the issues and the ways these are discussed in the current literature.

Method: Each Student is supposed to prepare a seminar paper on one of the “topics” listed below. The paper should be approximately 15 pages in length for the contents (title page, references etc. extra), using font size 12 of “Arial”, 1.5-line spacing (footnotes “Arial 10” and 1-line spacing); page borders 6.5 cm left, 1.5 cm right, 2 cm top and bottom). Please respect the usual rules of citation etc.!

The major elements of the paper have to be presented within 35 to 40 minutes in one of the seminar sessions. Please carefully look at the dates of the seminar sessions when the papers have to be presented: they are indicated in square brackets [] behind the topics. The paper has to be sent by email to me and to the other seminar participants at least two weeks before the corresponding seminar session (an email list will be established).

Applications for seminar places: see the regulations on the website of the Chair of Finance and Bank Management <https://www.wiwi.uni-siegen.de/banken/crm/>

Applications for topics: After having been assigned a place in my seminar by the Chair of Finance and Bank Management, you may apply for a topic with me by email: franke-viebach@vwl.wiwi.uni-siegen.de

ATTENTION:

- Please choose two topics (first choice, second choice).
- Before applying for a topic, seriously look at its bibliographical references!

- Carefully check if, for your topics of interest, the scheduled dates of presentation are feasible for you (taking into account that you have to hand in the topic two weeks before the presentation date)!
- For each topic, you can choose between two dates of presentation. Please indicate the date at which you want to present the topic in class.

Basic Bibliography: I give bibliographic references for each of the “topics” (see the list below). The references define the specific aspects which have to be discussed in the paper. The students are expected to look for other references which, e. g., explain the aspects of a topic more clearly or which contain more recent empirical evidence.

Topics for Seminar Papers:

Part 1: Digital Finance

For the topics in part 1, you may search several websites, e. g.

<https://www.frankfurt-school.de/home/research/centres/blockchain>

<https://www.ecb.europa.eu/home/html/index.en.html>

<https://www.coinmarketcap.com>

<https://www.bundesbank.de/de/>

A fine list of scientific publications on digital currencies up to the beginning of 2019 is provided by Gerba/Rubio (2019), pp 29 – 31:

https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/642360/IPOL_IDA%282019%29642360_EN.pdf

1. Technological and Political Foundations of Digital Finance: Blockchain, Distributed Ledger, Smart Contracts, Krypto Tokens, ... [April 23 or June11]

Prinz, W. (2020): Bitcoin, Blockchain, Boom. In: Frankfurter Allgemeine Zeitung, November 30, p. 18.

Hock, M. (2020): Viel Dynamik bei Blockchain-Aktien. In: Frankfurter Allgemeine Zeitung, December 19, p. 30.

Hock, M. /Schönauer, I. (2020): Das große Werben um Investmentfonds. In: Frankfurter Allgemeine Zeitung, December 18, p. 27.

2. Bitcoins as a Digital Currency [April 23 or June11]

Gerba, E. / Rubio, M. (2019): Virtual Money: How Much Do Cryptocurrencies Alter the Fundamental Functions of Money? European Parliament, Monetary Dialogue Papers. Policy Department for Economic, Scientific and Quality of Life Policies. Directorate General for Internal Policies. Luxemburg, pp 13 - 24.
https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/642360/IPOL_IDA%282019%29642360_EN.pdf

Moffett, M. H./ Stonehill, A. I./ Eiteman, D. K. (2016): Fundamentals of Multinational Finance. 5th ed. (Global Edition), London, pp. 35 – 38.

Schmücker, N. / Wiedemann, A. (2014): Umnutzung von Bits und Bytes: die digitale Währung Bitcoin.

3. Stable Coins: General Features, Libra as a prominent example [April 30 or June 18]

Braunberger, G. (2020): Zurück nach Amsterdam. In: Frankfurter Allgemeine Zeitung, December 6, p. 39.

Gerba, E. / Rubio, M. (2019): Virtual Money: How Much Do Cryptocurrencies Alter the Fundamental Functions of Money? European Parliament, Monetary Dialogue Papers. Policy Department for Economic, Scientific and Quality of Life Policies. Directorate General for Internal Policies. Luxemburg, pp 27n.
https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/642360/IPOL_IDA%282019%29642360_EN.pdf

4. Creating a Digital Euro: Reasons and Potential Effects [April 30 or June 18]

European Central Bank (2020): Report on a Digital Euro. Frankfurt am Main, pp 6 – 23.

Gerba, E. / Rubio, M. (2019): Virtual Money: How Much Do Cryptocurrencies Alter the Fundamental Functions of Money? European Parliament, Monetary Dialogue Papers. Policy Department for Economic, Scientific and Quality of Life Policies. Directorate General for Internal Policies. Luxemburg, p. 26.
https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/642360/IPOL_IDA%282019%29642360_EN.pdf

5. Creating a Digital Euro: Functional, Technical and Organizational Aspects [May 7 or June 25]

European Central Bank (2020): Report on a Digital Euro. Frankfurt am Main, pp 26 – 44.

6. Digital Organized Exchanges (Trading Platforms): Boerse Stuttgart Digital Exchange GmbH and Swiss Six Digital Exchange (SDX) [May 7 or June 25]

Part 2: Trade Finance

7. Factoring in International Trade Finance: Characteristics, Use, Empirical Relevance [May 14 or July 2]

Bekaert, G. J. / Hodrick, R. J. (2014): International Financial Management. 2nd ed. London, pp 658 n. [or: 3rd ed. 2018, pp814 n.]

Dortschy, J. W. / Jung, K.-H. / Köller, R. (2005): Auslandsgeschäfte – Banktechnik und Finanzierung. 3. Aufl., Stuttgart, pp 750 – 757.

Häberle, S. G. (1994): Handbuch der Außenhandelsfinanzierung. Munich, pp 667 – 677 [or 2nd ed. 1998; or 3rd ed. 2002].

ICC Banking Commission (2016): Rethinking Trade Finance: An ICC Private Sector Development Perspective. International Chamber of Commerce. Paris, pp 102 - 106.

http://store.iccwbo.org/content/uploaded/pdf/ICC_Global_Trade_and_Finance_Survey_2016.pdf

U.S. Department of Commerce (2008): Trade Finance Guide: A Quick Reference for U.S. Exporters. Washington, DC.

8. Forfeiting in International Trade Finance: Characteristics, Use, Empirical Relevance [May 14 or July 2]

Bekaert, G. J. / Hodrick, R. J. (2014): International Financial Management. 2nd ed. London, pp 657 n. [or: 3rd ed. 2018, pp 812 n.]

Dortschy, J. W. / Jung, K.-H. / Köller, R. (2005): Auslandsgeschäfte – Banktechnik und Finanzierung. 3. Aufl., Stuttgart, pp 768 – 773.

Häberle, S. G. (1994): Handbuch der Außenhandelsfinanzierung. Munich, pp 684 – 697 [or 2nd ed. 1998; or 3rd ed. 2002].

ICC Banking Commission (2016): Rethinking Trade Finance: An ICC Private Sector Development Perspective. International Chamber of Commerce. Paris, pp 96 - 101.

http://store.iccwbo.org/content/uploaded/pdf/ICC_Global_Trade_and_Finance_Survey_2016.pdf

U.S. Department of Commerce (2008): Trade Finance Guide: A Quick Reference for U.S. Exporters. Washington, DC.

9. Trade Finance: Development and Impacts On Trade during the Financial Crisis [May 28 or July 9]

Asmundson, Irena et al. (2011): Trade and trade finance in the 2008-09 financial crisis, IMF Working Papers 11/66, International Monetary Fund.

<https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Trade-and-Trade-Finance-in-the-2008-09-Financial-Crisis-24593>

Bekaert, G. J. / Hodrick, R. J. (2014): International Financial Management. 2nd ed. London, pp 661n.

Mora, Jesse / Powers, William: Did Trade Credit Problems Deepen the Great Trade Collapse? In: Baldwin, Robert (Ed): The Great Trade Collapse: Causes, Consequences and Prospects, London, pp 115 - 125. <https://voxeu.org/article/did-trade-credit-problems-deepen-great-trade-collapse>

Part 3: Currency Instruments and Their Uses

10. Currency Swaps with Financial Intermediaries [May 28 or July 9]

Andersen, T. J. (2006): Global Derivatives. A Strategic Risk Management Perspective. London, pp 220 – 229, 225, “Exercise” 6.6 p. 246.

Bekaert, G. / Hodrick, R. J. (2014): International Financial Management. 2nd ed., Upper Saddle River, N. J., pp 754n., 757 – 768, “Problems” 3 and 4 p. 770 [or: 3rd ed. 2018, pp 947n, 951 – 962, „Problems“ 3 and 4 p. 967].

11. Currency Swaps: Valuation, Use for Hedging [June 4 or July 16]

Andersen, T. J. (2006): Global Derivatives. A Strategic Risk Management Perspective. London, S. 332 – 335, “Exercise” 9.3 auf S. 353.

- Bekaert, G. / Hodrick, R. J. (2014): International Financial Management. 2nd ed., Upper Saddle River, N. J., S. 767 f., "Problem" 8 auf S. 770 f. [oder: 3rd ed. 2018, S. 962 – 964, "Problem" 8 auf S. 967 f.].
- Moffett, M. H. / Stonehill, A. I. / Eiteman, D. K. (2016): Fundamentals of Multinational Finance. 5th ed., London, S. 204 f., "Problems" 18 - 20 auf S. 210 f. [oder: 4th ed. 2014, S. 246 f., "Problems" 18 – 20 auf S. 254].
- Solnik, B. / Mc Leavey, D. (2009): Global Investments. 6th ed., London, S. 456 - 460 [oder: 5th ed 2004, S. 533 – 537].

12. Hedging with Currency Options: Delta Hedging [June 4 or July 16]

- Andersen, T. J. (2006), Global Derivatives. A Strategic Risk Management Perspective. London, pp 197n.
- Solnik, B. / McLeavey, D. (2004): International Investments. 5th. ed. London, pp 587 – 590, „Problems“ 12 and 13 p. 600 [or: 6th ed. 2009, pp 500 – 504, "Problems 12 and 13 p. 519)].

Part 4: Valuing Financial Instruments by the CAPM and Other Approaches

13. Efficiency of Portfolios [June 11 or July 23]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 405 – 417.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed. , New York, pp 148 – 170.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 205 - 230.

14. Single-Factor Index Models: Theory and Estimation [June 11 or July 23]

- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed., New York, pp 170 – 178.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 256 – 271.
- Breuer, W. / Gürtler, M. / Schuhmacher, F. (2004): Portfoliomanagement I – Grundlagen. Wiesbaden, pp 294 – 316.

15. Single-Factor Index Models: Portfolio Construction and Management [April 23 or June 18]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 505n.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 271 - 284.
- Breuer, W. / Gürtler, M. / Schuhmacher, F. (2004): Portfoliomanagement I – Grundlagen. Wiesbaden, pp 316 – 334.

16. Efficient Portfolio and Required Returns: the Capital Asset Pricing Model (CAPM) [April 23 or June 18]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 379 – 384, 417 - 428.

- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed., New York, pp 194 – 200.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 291 – 299, 302 - 305.
- Spremann, K. / Gantenbein, P. (2019): Finanzmärkte. Grundlagen, Instrumente, Zusammenhänge. München, pp 239 – 247.

17. Implementing the CAPM: Identifying the Market Portfolio and Estimating Beta [April 30 or June 25]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 379 – 384, 445 – 453, 466n, 475 - 479.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed., New York, pp 201 - 210.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 299 – 302.

Part 5: Cost of Capital and Capital Structure when Financial Markets are Perfect

18. Using the CAPM to Estimate the Cost of Capital: Equity, Debt, and Project [April 30 or June 25]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 443 – 445, 453 - 466.
- Spremann, K. / Gantenbein, P. (2019): Finanzmärkte. Grundlagen, Instrumente, Zusammenhänge. München, pp 239n.

19. Efficiency of the Capital Market: Competition, Information, and Investor Behavior [May 7 or July 2]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 482 – 491.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed., New York, pp 234 – 238, 265 - 275.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 349 – 354, 388 - 400.
- Spremann, K. / Gantenbein, P. (2019): Finanzmärkte. Grundlagen, Instrumente, Zusammenhänge. München, pp 46 - 55.

20. Market Efficiency and Style-Based Techniques [May 7 or July 2]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 492 – 505.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed., New York, pp 239 – 253.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 354 – 375.

21. Calculating the Cost of Capital: Alternatives to the CAPM [May 14 or July 9]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 505 – 514, 521.

- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed., New York, pp 210 – 222..
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 324 – 342.
- DeFusco, R. A. et al. (2015): Quantitative Investment Analysis. 3rd ed. Hoboken, N. J., pp 525 – 534.
- Spremann, K. / Gantenbein, P. (2019): Finanzmärkte. Grundlagen, Instrumente, Zusammenhänge. München, pp 239n.

22. Capital Structure in a Perfect Financial Market: the Modigliani-Miller Theorem [May 14 or July 9]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 524 – 540.
- Wiedemann, A. (2008): Die Passivseite als Erfolgsquelle. Zinsmanagement in Unternehmen. Wiesbaden, pp 96 – 102.

Part 6: International Investment and Debt

23. Uncertainty and International Diversification: Theory [May 28 or July 16]

- Harms, Ph. (2016): International Macroeconomics. 2nd ed., Tübingen, pp 162 - 174.
- Harms, Ph. (2008): Internationale Makroökonomik. Tübingen, pp 158 – 170.
- Obstfeld, M. / Rogoff, K. (1996): Foundations of International Macroeconomics. London, pp 269 - 308.

24. International Diversification: Some Evidence [May 28 or July 16]

- Coeurdacier, G. / Rey, H. (2013): Home Bias in Open Financial Macroeconomics. In: Journal of Economic Literature, Vol. 51, pp 63 – 115.
- Harms, Ph. (2016): International Macroeconomics. 2nd ed., Tübingen, pp 174 – 177.
- Harms, Ph. (2008): Internationale Makroökonomik. Tübingen, pp 170 – 172.
- Obstfeld, M. / Rogoff, K. (1996): Foundations of International Macroeconomics. London, pp 304 - 306.

25. Global Equity Markets and International Risk [June 4 or July 23]

- Berk, J. / DeMarzo, P. (2020): Corporate Finance. 5th ed., London, pp 1097 – 1099, 1106 - 1110.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed., New York, pp 630 – 642.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 882 – 895.

26. International Investing [June 4 or July 23]

- Bodie, Z. / Kane, A. / Marcus. A. J. (2013): Essentials of Investments. 9th ed., New York, pp 642 – 661.
- Bodie, Z. / Kane, A. / Marcus. A. J. (2014): Investments. 10th ed., New York, pp 895 – 920.