Gabelli School of Business
Fordham University (London Programme)

Course: Global Investments  Semester: Spring 2015

Professor: Gerald Pollio
Day/Time/Room: 
Office Hours: By Appointment
Contact: Any reasonable time at:

About the Professor:
Gerald Pollio, BA, MA, PhD has been a Senior Lecturer at several UK universities and has also held adjunct appointments at leading universities in the United States and Europe. He earned a PhD in Banking and International Finance from the UK’s City University (now Cass) Business School - London. Prior to becoming an academic, Dr Pollio was a senior executive with Chemical (now JP Morgan Chase) Bank, as Head of the Global Industries Unit, Economic Research Department, and as Senior Adviser, in the Bank’s Energy and Minerals Group. Dr Pollio has also served as a consultant to leading firms in the global energy and financial services industries. The author of a standard text on international project analysis and financing, Dr Pollio has also written numerous articles that have appeared in both scholarly and more general industry and professional publications. An American national, born and raised in New York City, Dr Pollio has lived and worked in the United Kingdom for the past two decades.

Course Description:
Since the early 1970s financial markets have become increasingly globalised. Some analysts regard this as a positive development, enabling countries, above all, emerging market economies, to access finance that otherwise would not have been available and thus accelerate economic development and reduce poverty; others regard it negatively, the Asian financial crisis and more recently the Sub-prime crisis, highlighting how closer monetary integration has increased global financial instability. The purpose of this course is to provide an introduction to global financial markets, with the main focus on (a) international monetary arrangements, (b) the structure of international payments, (c) foreign direct investment, and (d) international portfolio investment. Against this backdrop, the claims of those who emphasise the advantages of globalisation and those who are convinced it threatens economic and financial stability will be evaluated.
Learning Objectives:
Upon completion of this course, you will have an understanding of:

(a) The logic of international commercial and financial transactions, how they are measured and current payment arrangements.

(b) The structure of specific international financial sectors, above all, global equity and fixed income markets, the foreign exchange market, and international commodity markets, above all, gold and other precious metals, petroleum and other industrial commodities.

(c) The factors that influence foreign direct investment, entry modes, funding choices, and whether international investments add or destroy shareholder value.

(d) The relationship between globalisation and financial stability.

Jesuit Principles:
The Mission of the University

Fordham University, the Jesuit University of New York, is committed to the discovery of Wisdom and the transmission of Learning, through research and through undergraduate, graduate and professional education of the highest quality. Guided by its Catholic and Jesuit traditions, Fordham fosters the intellectual, moral and religious development of its students and prepares them for leadership in a global society.

Gabelli School of Business:
The Jesuit identity of Gabelli School of Business is reflected in the teaching. Foremost is the belief that business must serve a higher purpose than mere profit. Gabelli students are encouraged to think about how they, as business leaders can contribute to the advancement of society and move the world forward in a profound and lasting way.

Teaching Methodology:
The course consists of a three hour period once a week. This is broken down into two one and a half hour sessions consisting of lectures and focused case studies. Class participation is expected. The sessions should be both informative and fun.

Breakdown of Grade:
Mid-term exam (40% of the final grade); final exam (60%).

Additionally: class attendance and contribution will count towards the final grade.
## Course Text:

There is no required course text, though several will be recommended in class. Recent research articles will also be suggested for those interested in pursuing in greater depth some of the issues discussed.

## Class Etiquette:

Classes begin promptly at the stated time; please show respect for your professor and class colleagues by not arriving late. **Food is not allowed in class.** Students should at all times behave in a courteous and professional manner in class. The Centre also follows a closed lap top policy; texting or tweeting from class is a criminal offence!

## Special Accommodations:

It is recognised that some students may need special accommodations. These should be brought to the attention of the Programme Director at the commencement of the semester.

## Academic Integrity:

A University, by its nature, strives to foster and recognize originality of thought, which can be recognized only when people produce work that is theirs alone and properly acknowledge information and ideas that are obtained from the work of others. It is therefore important that students must maintain the highest standards with regard to honesty, effort, and performance.

As a Jesuit, Catholic University, Fordham is committed to ensuring that all members of the academic community strive not only for excellence in scholarship but also for integrity of character. In the pursuit of knowledge and personal development, it is imperative that students present their own ideas and insights for evaluation, critique and eventual reformulation. As part of this process, each student must acknowledge the intellectual contribution of others.

Please check the link for the full Academic Integrity Statement:

Lecture Programme:

(a) Introduction to International Financial Markets
   (i) The Current State of Financial Markets post-Great Contraction
   (ii) Information Asymmetries and their Impact on Financial Markets
   (iii) Agency Risks and their Resolution
   (iv) Efficient Market Theory

(b) Financial and Commodity Markets
   (i) Equity Instruments and Valuation
       Dividends
       Buybacks
       Tax Effects
   (ii) Fixed Income Securities
       The Yield Curve
       Sovereign Debt
       Corporate Debt: Secured v. Unsecured
       Default and Seniority
   (iii) Precious Metals, Oil and Natural Gas and Industrial Commodity Markets

(b) Measuring International Transactions: Balance of Payments Accounting
   (i) The Trade Accounts
   (ii) The Current Account
   (iii) International Capital Flows: Long term (Portfolio, Direct Investment) and Short term (Banking transactions)
   (iv) The International Payments System: Floating Rates; Fixed Rates; the Economics, Politics and Consequences of the Euro.
   (v) Domestic and International Linkages

(c) The Foreign Exchange Market
   (i) Institutional Features
   (iii) Spot, Forward and Future Rates
   (iii) Theories of Exchange Rate Determination; Purchasing Power Parity, The Monetary Approach, The Portfolio Approach

(d) International Investment:
   (i) Portfolio Theory in an International Context
       The Logic of International Diversification
   (ii) International Project Investments and their Financing
       Country Risk
       Political Risk
       Mode of Entry: Foreign Subsidiary or International Joint Venture (IJV)
       Stock Market Reaction to IJV announcements
   (iii) Financing International Investments
       Balance Sheet Financing
       Off-Balance Sheet Financing
       Choice of Financing and the Creation of Shareholder Value

Note: Classes times & dates may change, subject to local conditions