

INTERNATIONAL CALCULATIONS AND CURRENCY TRANSACTIONS

Working program of the academic discipline (Syllabus)

Details of the academic discipline

Level of higher education	<i>First (undergraduate)</i>
Branch of knowledge	<i>05 Social and behavioral sciences</i>
Specialty	<i>051 Economy</i>
Educational program	<i>International Economics</i>
Discipline status	<i>Normative</i>
Form of education	<i>Full-time</i>
Year of training, semester	<i>4th year, spring semester</i>
Scope of the discipline	<i>150 hours</i>
Semester control/ control measures	<i>Exam</i>
Lessons schedule	http://roz.kpi.ua
Language of teaching	<i>Ukrainian</i>
Information about head of the course / teachers	Lecturer: Candidate of Economic Sciences, Associate Professor, Iryna Hrinko grinko.irina.kpi@gmail.com Practical: Candidate of Economic Sciences, Associate Professor, Iryna Hrinko, grinko.irina.kpi@gmail.com
Placement of the course	<i>A link to a remote resource (Google classroom)</i> <i>Classroom: https://classroom.google.com/c/NDQ4OTE3MzYyMjM5?cjc=zfssnco</i>

Program of educational discipline

1. Description of the educational discipline, its purpose, subject of study and learning outcomes

The goal of the study discipline "International settlements and currency transactions" is to form students' skills in the practice of international settlements and conducting currency transactions by banks.

While studying the academic discipline "International Settlements and Currency Operations", students will acquire the skills and knowledge specified below.

1) Acquire theoretical knowledge regarding: basic principles of formation and evolution of the formation of the international currency market, tools and mechanisms of its regulation; essences of all types and forms of currency transactions and international settlements; functions, roles and tasks of international credit and financial institutions, etc.

2) Master the methodology of organization, optimal selection and conduct of currency transactions in the implementation of export-import foreign economic activities of enterprises;

3) They will acquire the skills of optimal selection and step-by-step implementation by counterparties of documentary (net and documentary collection, documentary letter of credit) and non-documentary (settlement by promissory notes, checks, advance payment, bank transfer, payment to an open account, etc.) forms of international settlements and the ability to manage currency risks, which arise in international financial activities.

4) Master the skills of: systematic analysis and comparison of costs from alternative methods of international borrowing of credit funds to finance international settlements; determining the impact of the exchange rate on the country's export-import operations; calculation of the parity ratio of currency rates, cross rates, forward rates, etc.

5) They will acquire knowledge and skills in maintaining correspondent relations with foreign banks, non-commercial transactions and international trade settlements, foreign currency sale-purchase transactions, attraction and placement of currency funds on the domestic and international money markets.

6) Acquire the knowledge and ability to determine the regulatory strategic priorities of the development of the modern monetary and financial policy of the state, forecast trends in the development of the currency market and interpret the results obtained during research in the field of monetary and financial environment.

The goal of the educational discipline is the formation of students' competencies:

ABILITY:

Ability to think abstractly, analyse, synthesize, and establish relationships between phenomena and processes.

- *to understand and analyses the conditions and factors of formation and functioning mechanisms of international currency and financial markets;*
- *identify the systemic essence of all types of currency transactions and international settlements;*
- *to identify the main parameters of currency development of countries;*
- *determine the indicators and follow the methodology in conducting international settlements and currency transactions;*
- *analyse the peculiarities of the formation of national and international strategies of financial and, in particular, currency development of the countries of the world.*

The main tasks of the academic discipline. After mastering the academic discipline, students must demonstrate the following learning outcomes:

KNOWLEDGE:

Irregularities in the conduct of currency operations and the use of international settlements in the implementation of export-import activities of enterprises;

- *mechanisms and instruments of currency market regulation;*
- *basic principles of formation of the international currency market;*
- *practical basics of quoting foreign and national currency;*
- *the main forms of lending, both abroad and in Ukraine;*
- *places, roles, functions and tasks of international credit and financial institutions;*
- *methodologies for the organization of currency operations by commercial banks.*

SKILLS:

Analyse trends in the development of international financial and currency markets; identify and assess problems in conducting international settlements, and propose strategic measures to solve them; determine the impact of factors and analyse changes in the country's international currency policy; to organize the functional support of foreign trade agreements involving the necessary currency transactions;

- *to analyse the activity of currency regulation both in general and according to individual characteristics;*
- *to determine the impact of the exchange rate on the export-import operations of the country;*
- *to form the skills of calculating the parity ratio of currency rates, cross rates, forward rates;*
- *compare costs from alternative methods of international borrowing of credit funds to finance international settlements;*
- *to determine the international form of settlement corresponding to the conditions of foreign economic activity;*
- *use different methods of currency risk insurance;*
- *determine the regulatory priorities of the formation of modern international monetary policy;*
- *justify the choice of currency transactions in the implementation of international economic activities by enterprises, firms and other legal entities or individuals.*

The subject of study of the academic discipline is the technology of foreign exchange transactions, the implementation of documentary and non-documentary forms of international settlements using generally accepted international rules, which are used by banks when servicing settlements between counterparties in foreign trade export-import activities.

2. Pre-requisites and post-requisites of the discipline (place in the structural and logical scheme of training according to the relevant educational program)

The educational discipline "International Settlements and Currency Operations" lays the foundation for a specialist in the economic profile of the theoretical foundations and practical skills of conducting international settlements using the necessary currency operations during foreign trade agreements, etc. The study of the academic discipline contributes to the formation of a systematic perception by future specialists of international financial flows, their interrelationship and regulation, the sequence of observing the stages in conducting international calculations. The prerequisites for studying the academic discipline "International Settlements and Currency Operations" are the following disciplines: "Economic Theory", "Macroeconomics", "Money and Credit", "Finance", "Financial Market", "Enterprise Finance", "International Economy", and also serves as a means of forming in students a systematic understanding of the international financial functioning of the state (in the aspect of conducting international calculations and currency transactions) when writing the analytical part of the calculation work.

The discipline occupies an important place in the educational process, as it provides students with theoretical knowledge and practical skills in conducting various types of currency transactions and conducting both documentary and non-documentary forms of calculations. In order to study the academic discipline "International Settlements and Currency Operations", the student must possess computer programs for constructing graphs, tables, presentations for analysing and evaluating financial statistical data and presenting the results of the conducted research.

3. Content of the academic discipline

SECTION 1. FOREIGN EXCHANGE MARKET AND FOREIGN EXCHANGE TRANSACTIONS

Topic 1. *Foreign exchange market and foreign exchange operations. The essence, functions of currency markets. Participants of currency markets. General basics of banks' activity in foreign exchange markets. Forward operations. "Swap" market of conversion operations and capital market. Financial futures. Option agreements.*

Topic 2. *Current operations and currency position of the bank. Current conversion operations with immediate currency delivery ("today"; "tomorrow" type agreements; "spot" type agreements). Current deposit and credit operations. Currency position of the bank. Currency quotation and its types. Licenses of the National Bank of Ukraine for currency operations.*

SECTION 2. INTERNATIONAL FORMS OF CALCULATIONS

Topic 3. *Opening and maintenance of international settlement forms. Organizational principles of international settlements. Forms of international settlements. Advance payments. Payment to an open account. Bank Transfer. Settlement by promissory notes and checks. International payments using plastic cards. Clean collection letter of credit.*

Topic 4. *Documentary collection form of international settlements. The essence of documentary collection. The procedure and stages of international settlements due to the use of the collection documentary form. The difference between documentary collection and net collection: advantages and disadvantages. Unified rules for conducting direct debit payments. The cost of banking services in conducting cash-on-delivery payments.*

Topic 5. *Documentary letter of credit form of international settlements. The essence and types of documentary credit. The procedure and stages of international settlements due to the use of a documentary form of letter of credit. The difference between a documentary letter of credit and the direct debit form of international payments: advantages and disadvantages. Unified rules for the documentary letter of credit form of settlements. The cost of banking services in making a documentary letter of credit form of settlement.*

SECTION 3. DEPOSIT FOREIGN EXCHANGE OPERATIONS AND FOREIGN EXCHANGE RISKS MANAGEMENT

Topic 6. *Deposit currency operations. The essence of the market of deposit currency operations. Quotation of interest rates. Deposit position. Functioning and development of the Eurocurrency market. Subjects and objects of deposit operations. Classification of deposits by terms. Principles of organization of deposit currency operations.*

Topic 7. *Currency risk management. The essence and classification of banking risk. The essence of the concept and management of currency risk.*

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Topic 7. *Currency risk management. The essence and classification of banking risk. The essence of the concept and management of currency risk.*

SECTION 4. BANK GUARANTEE IN THE FINANCING OF FOREIGN TRADE AGREEMENTS

Topic 8. *Bank guarantee. General principles and legal basis of bank guarantee. Types and types of bank guarantees. Effect of bank guarantees. Issuance of bank guarantees. Use of bank guarantee.*

Topic 9. *Bank financing of foreign trade agreements. The role of credit in ensuring foreign trade. Crediting of imports. Export lending.*

SECTION 5. OPENING OF CURRENCY ACCOUNTS AND REGULATION OF FOREIGN EXCHANGE TRANSACTIONS

Topic 10. *Opening and maintaining currency accounts. Opening currency accounts for legal entities. Opening currency accounts for individuals. Peculiarities of keeping currency accounts.*

Topic 11. *Correspondent relations with foreign banks. The process of creating blood relations. The content and purpose of the relationship.*

Topic 12. *Control and regulation of currency operations. The essence, structure and regulation of the currency market of Ukraine. Types of currency operations of banks and their riskiness. Information provision of operations on foreign exchange markets.*

4. Educational materials and resources

Basic literature

1. Kochetkov V. M., Grinko I. M. Currency operations: Lecture notes [Electronic resource] / National Technical University of Ukraine "Kyiv Polytechnic Institute". Kyiv: NTUU "KPI", 2010. 146 p.
2. Bereslavskaya O. I. International calculations and currency transactions: teaching. manual / O. I. Bereslavskaya. Irpin: SFS University of Ukraine, 2019. 368 p.
3. International settlements and currency transactions: training. manual / B. S. Ivasiv, L. M. Priyden, V. Ya. Rudan. Ternopil: Vector, 2013. 572 p.

Additional literature

1. Burkovska A. V. International credit and settlement and currency operations in modern conditions: training. manual Kyiv: TsUL, 2014. 208 p.
2. Currency operations [Electronic resource]: methodological instructions for practical classes / NTUU "KPI"; structure. V. M. Kochetkov, I. M. Khomenko. – Electronic text data (1 file: 815 Kbytes). Kyiv: NTUU "KPI", 2012. 22 p. URL: <http://library.kpi.ua:8080/handle/123456789/1666>
3. Currency operations [Electronic resource]: terminological dictionary for students of the specialty: 7.03050301 "International Economy" / NTUU "KPI"; structure. V. M. Kochetkov, I. M. Grinko. – Electronic text data (1 file: 486 Kbytes). Kyiv: NTUU "KPI", 2014. 37 p. URL: <http://ela.kpi.ua/handle/123456789/7767>
4. Vasyurenko O. V. Banking operations: training. Manual: 4th ed., reworked. and additional Kyiv: Znannia, 2004. 324 p.
5. Vidnychuk-Virvan L. A. International calculations and currency operations: a study guide. Virvan. Lviv: Magnolia, 2007. 214 p.
6. Gnezdilova O. M. Optimizing the system of cashless payments / Modern issues of economics and law. 2011. Issue 2. P. 100-105.
7. Dyachek V.V., Kolosovska O.D., Onishchenko V.S. Peculiarities of the use of international settlement forms by Ukrainian enterprises during foreign economic activity / Global and national problems of the economy. 2018. Issue 21. P. 70-76. URL: <http://global-national.in.ua/archive/21-2018/15.pdf>
8. T. V. Kryvyov'yaz International credit and settlement operations in banks: study guide / T. V. Kryvyov'yaz; ed. M. I. Syvulskyi; Open International University of Human Development "Ukraine". Kyiv: University Book, 2009. 327 p.
9. Kudlayeva N.V., Onufrak O.D. Peculiarities of using the letter of credit form of international payments in foreign currency / Scientific Bulletin of the International Humanitarian University. 2017. P. 124-128. URL: <http://www.vestnik-econom.mgu.od.ua/journal/2017/27-2-2017/26.pdf>
10. International finance: a textbook / O. I. Rogach, A. S. Filipenko, T. S. Shemet, etc.; under the editorship O. I. Rogacha. Kyiv: Lybid, 2003. 784 p.
11. International finance [Text]: education. manual for students studying in the specialty 051 "Economics", specialization "International Economics" in the full-time form of study /

12. I.M. Hrynko; KPI named after Igor Sikorsky. – Kyiv: KPI named after Igor Sikorskyi, 2019. 109 p. URL: <http://ela.kpi.ua/handle/123456789/29057>
13. International settlements and currency operations: training. manual / B.S. Ivasiv, L.M. Priydan, V.Ya. Rudan. Ternopil: Vector, 2013. 572 p.
14. Nosach L. L., Velichko K. Yu. System selection of the optimal form of international settlements / Business Inform. 2016. No. 10. P. 39-46. URL: https://www.business-inform.net/export_pdf/business-inform-2016-10_0-pages-39_46.pdf
15. Tyukha I.V., Rudnytska R.V. Selection of the optimal form of calculations in the management of foreign economic activities of food industry enterprises. Formation of market relations in Ukraine. 2014. No. 10 (161). P. 114-117.
16. Tyurina N.M., Karvatska N.S. Foreign economic activity of the enterprise: training. manual Kyiv: Center for Educational Literature, 2013. 408 p.
17. Fedyniak H. International legal regulation of letter of credit settlements and legislation of Ukraine / Bulletin of Lviv University. International relations series. 2016. Issue 39. P. 120-127.
18. Shuba T. P., Kolosovska O. D., Onishchenko V. S. Minimization of risks in conducting foreign economic activities by Ukrainian enterprises / Global and national problems of the economy. 2017. No. 20. P. 93-98. URL: <http://global-national.in.ua/archive/20-2017/20.pdf>.

Educational content

5. Methods of mastering an educational discipline (educational component)

Names of sections and topics	Number of hours				
	In total	including			
		Lectures	Practical training	Laboratory	Independent work of students
1	2	3	4	5	6
Chapter 1. FOREIGN EXCHANGE MARKET AND FOREIGN EXCHANGE OPERATIONS					
<i>Topic 1. Foreign exchange market and foreign exchange operations</i>	6	3	1	-	2
<i>Topic 2. Current operations and currency position of the bank</i>	7	3	2	-	2
Together by chapter 1	13	6	3	-	4
Section 2. INTERNATIONAL FORMS OF CALCULATIONS					
<i>Topic 3. Opening and maintenance of international settlement forms</i>	8	3	3	-	2
<i>Topic 4. Documentary collection form of international settlements</i>	8	3	3	-	2
<i>Topic 5. Documentary letter of credit form of international settlements</i>	8	3	3	-	2
Together by chapter 2	24	9	9	-	6
Chapter 3. DEPOSIT FOREIGN EXCHANGE OPERATIONS AND FOREIGN EXCHANGE RISKS MANAGEMENT					
<i>Topic 6. Deposit currency operations</i>	8	3	3	-	2
<i>Topic 7. Currency risk management</i>	9	3	3	-	3
Together by chapter 3	17	6	6	-	5
Chapter 4. BANK GUARANTEE IN FINANCING FOREIGN TRADE AGREEMENTS					
<i>Topic 8. Bank guarantee</i>	9	3	3		3
<i>Topic 9. Bank financing of foreign trade agreements</i>	9	3	3		3

1	2	3	4	5	6
Together by chapter 4	18	6	6		6
Chapter 5. OPENING OF CURRENCY ACCOUNTS AND REGULATION OF CURRENCY TRANSACTIONS					
<i>Topic 10. Opening and maintaining currency accounts</i>	11	3	3		5
<i>Topic 11. Correspondent relations with foreign banks</i>	11	3	4		4
<i>Topic 12. Control and regulation of currency operations</i>	10	3	3		4
<i>Modular control work</i>	6		2		4
<i>Abstract</i>	10				10
Together by chapter 5	48	9	12		27
Exam	30				30
Hours in general	150	36	36		78

6. Independent work of the student

No	Names of topics and questions that are submitted for independent study and references to educational literature	Number of hours of independent student work
	Chapter 1. FOREIGN EXCHANGE MARKET AND FOREIGN EXCHANGE OPERATIONS	
1	<p>Topic 1. Foreign exchange market and foreign exchange operations</p> <p><i>Tasks for the student's independent work:</i> General basics of banks' activity in foreign exchange markets. Justify the difference between "market maker" and "market taker" currency market participants. Describe currency transactions and explain the difference between their types. Name the types of currency positions and explain their difference. Explain the essence of conversion operations and characterize the groups into which they are divided. Reveal the essence of stock clearing functions. Explain the difference between contango and backwardation. Describe the essence of concluding forward agreements. Justify the difference between forward contracts and futures contracts according to self-selected criteria. Discover the essence of futures contracts. Describe the essence of option currency transactions. Explain the essence of forward currency transactions.</p> <p><i>Recommended basic literature:</i> [1, pp. 5-27; 2; 3].</p> <p><i>Recommended additional literature:</i> [1; 4; 5; 11, pp. 31-43; 12; 16].</p>	2
2	<p>Topic 2. Current operations and currency position of the bank.</p> <p><i>Tasks for the student's independent work:</i> Describe the types of currency positions. Explain the difference between current currency transactions of the "today" type; "tomorrow"; of the "spot" type. Justify the difference between current transactions with immediate delivery of currency and time transactions. Explain the essence of currency quotation. Explain the bank's open and closed currency position. Define the term "currency quote". Explain what exactly affects the size of the bank's open currency position.</p> <p><i>Recommended basic literature:</i> [1, pp. 35-41; 2; 3].</p> <p><i>Recommended additional literature:</i> [1; 3; 4; 5; 12].</p>	2
	Section 2. INTERNATIONAL FORMS OF CALCULATIONS	
3	<p>Topic 3. Opening and maintenance of international settlement forms.</p> <p><i>Tasks for the student's independent work:</i> Explain the difference between international forms of settlement. Justify the sequence of international settlement according to the promissory note and the check. Describe the advantages and</p>	2

	<p>disadvantages of choosing a net collection form of settlement over a letter of credit for an exporter and an importer. Explain the essence of a bank transfer. Explain the organizational principles of international settlement forms. Justify why advance payments are used much more often in Ukraine than in other countries. Explain the difference between international and domestic settlements. Justify and explain the features of using the form of payments through an open account. Analyse the methods of protection against the risk of non-repayment of the advance payment in case of non-delivery of goods by the exporter in international banking practice. Describe the features of using Euro cheques.</p> <p><i>Recommended basic literature:</i> [1, pp. 43-52; 2; 3].</p> <p><i>Recommended additional literature:</i> [10; 12; 15; 17].</p>	
4	<p>Topic 4. Documentary collection form of international settlements.</p> <p><i>Tasks for the student's independent work:</i> Explain in detail the sequence of all stages of carrying out the collection form of calculations. Indicate exactly what problems may arise in carrying out this form of calculations for both the exporter and the importer. Analyse the cost of banking services in collection settlements on the national market of banking services and the world market (selecting several countries for comparison).</p> <p><i>Recommended basic literature:</i> [1, pp. 72-82 ; 2; 3].</p> <p><i>Recommended additional literature:</i> [6; 7; 11, pp. 77-78; 13; 14; 15; 17].</p>	2
5	<p>Topic 5. Documentary letter of credit form of international settlements.</p> <p><i>Tasks for the student's independent work:</i> Explain in detail the sequence of all stages of the documentary letter of credit form of calculations. Indicate exactly what problems may arise in carrying out this form of calculations for both the exporter and the importer. Analyse the cost of banking services in conducting documentary letter of credit settlements on the national market of banking services and the world market (selecting several countries for comparison). Describe the essence of the unified rules for the documentary letter of credit form of settlements.</p> <p><i>Recommended basic literature:</i> [1, pp. 57-72; 2; 3].</p> <p><i>Recommended additional literature:</i> [9; 11, pp. 80-84; 16].</p>	2
	Chapter 3. DEPOSIT FOREIGN EXCHANGE OPERATIONS AND FOREIGN EXCHANGE RISKS MANAGEMENT	
6	<p>Topic 6. Deposit currency operations.</p> <p><i>Tasks for the student's independent work:</i> Explain the value date of depository agreements. Explain the difference between the transaction date and the value date. Justify the factors that affect the risk-free market interest rate in addition to inflation and inflationary expectations. Discover the essence of the LIBOR rate. Justify the difference between the bid attraction rate and the offer placement rate. Explain the factors that affect the size of the BID and OFFER spread. Name the factors that contributed to the development of the Euro market. List the participants of the Eurocurrency market. Describe the types of deposits according to classification features. Explain the main principles of the organization of deposit currency transactions.</p> <p><i>Recommended basic literature:</i> [1, pp. 82-88; 2; 3].</p> <p><i>Recommended additional literature:</i> [3; 10; 12; 16].</p>	2
7	<p>Topic 7. Currency risk management.</p> <p><i>Tasks for the student's independent work:</i> Justify the strategic decisions of currency risk management. Explain the nature of currency risks. Describe currency risks according to classification features.</p> <p><i>Recommended basic literature:</i> [1, pp. 122-132; 2; 3].</p> <p><i>Recommended additional literature:</i> [3; 5; 10; 12].</p>	3
	Chapter 4. BANK GUARANTEE IN FINANCING FOREIGN TRADE AGREEMENTS	
8	<p>Topic 8. Bank guarantee.</p> <p><i>Tasks for the student's independent work:</i> Describe the types and types of bank guarantees. Justify the effectiveness of bank guarantees and the effectiveness of the results that can be obtained from them. Explain the general principles and legal basis of a bank guarantee.</p> <p><i>Recommended basic literature:</i> [1, pp. 93-107; 2; 3].</p>	3

	<i>Recommended additional literature: [4; 5; 10].</i>	
9	<p>Topic 9. Bank financing of foreign trade agreements.</p> <p><i>Tasks for the student's independent work:</i> Justify the importance of crediting imports in foreign trade agreements. Analyses the advantages and disadvantages of crediting export and import foreign trade agreements. Justify the important role of credit in ensuring foreign trade.</p> <p><i>Recommended basic literature:</i> [1, pp. 106-115; 2; 3].</p> <p><i>Recommended additional literature:</i> [1; 3; 12].</p>	3
	Chapter 5. OPENING OF CURRENCY ACCOUNTS AND REGULATION OF CURRENCY TRANSACTIONS	
10	<p>Topic 10. Opening and maintaining currency accounts.</p> <p><i>Tasks for the student's independent work:</i> Justify the peculiarities of keeping currency accounts. Explain the procedure for opening currency accounts by individuals. Analyses the difference between holding currency accounts by legal entities and individuals.</p> <p><i>Recommended basic literature:</i> [1, pp. 43-52; 2; 3].</p> <p><i>Recommended additional literature:</i> [12; 16].</p>	5
11	<p>Topic 11. Correspondent relations with foreign banks.</p> <p><i>Tasks for the student's independent work:</i> Describe the process of creating a relationship. Justify the content and purpose of the relationship.</p> <p><i>Recommended basic literature:</i> [2; 3].</p> <p><i>Recommended additional literature:</i> [1; 3; 10; 12].</p>	4
12	<p>Topic 12. Control and regulation of currency operations.</p> <p><i>Tasks for the student's independent work:</i> Justify the possible ways of securing a credit agreement. Describe the forms of loan insurance. Explain the essence of diversification of credit investments. Describe the essence of the internal rate of return. Explain the classification according to internal and external calculations, whether there are contradictions in the specified types of calculations. Explain why risk management is an urgent problem for all economic entities. Justify approaches to risk classification. Explain what financial risks are related to. Explain how a guarantee differs from a suretyship.</p> <p><i>Recommended basic literature:</i> [2; 3].</p> <p><i>Recommended additional literature:</i> [1; 2; 4; 5; 10; 12; 16].</p>	4
13	<i>Preparation for modular control work</i>	4
14	<i>Writing an essay</i>	10
15	<i>Preparation for the exam</i>	30
Hours in general:		78

For students of the "International Economics" educational program, an abstract work is provided. They are carried out according to the standards, in the time specified by the teacher (preliminarily agreed with the students) and are aimed at monitoring the independent deepening of knowledge in the academic discipline. Students report on the results of independent work in oral (report) and written form (printed work, previously sent to the teacher's e-mail). The approximate topic of the abstract work is presented in Appendix A.

The purpose of the individual assignment (abstract) is to acquire the skills to apply the acquired theoretical knowledge in practical foreign economic activities regarding foreign exchange transactions and the selection and application of international forms of settlement. Writing an individual semester task involves consolidating and deepening the acquired theoretical knowledge, and the obtained results are the basis for further successful employment of students, their ability to analyse currency and credit policy and its impact on the financial and economic activity of the country and the world.

From the academic discipline "International Settlements and Currency Operations" students are expected to complete one modular test. The main goal of conducting a modular control work is to establish the integral level of assimilation of theoretical knowledge and skills by students based on the results of studying the sections of the academic discipline. The analysis of the performance of the modular control work makes it possible to identify gaps in the student's knowledge and skills and to correct the student's independent work in preparation for the exam. The modular test consists of different variants of tasks; both test questions and case problems, examples of typical variants of tasks are given in Appendix B and Appendix B.

6. Policy of academic discipline (educational component)

In order to consolidate the knowledge acquired by students in lectures and as a result of independent work, at each lecture, starting with the second, it is recommended to carry out an express control of the acquired knowledge in the form of a written solution to test tasks or a survey.

Basic teaching methods

Active and collective learning strategies are used, which are determined by the following methods and technologies:

1) methods of problem-based learning (problem presentation, search and research method);

2) personal-oriented (developmental) technologies based on active forms and methods of learning ("brainstorming", "situation analysis", business, role-playing and simulation games, discussion, express conference, educational debates, case technology, etc.);

3) information and communication technologies that ensure the problem-research nature of the learning process and the activation of students' independent work (electronic presentations for lectures, the use of video support for training sessions, development and application based on computer and multimedia tools of tasks related to solving problematic issues in the field of international finance, supplementing traditional educational classes with means of interaction based on network communication capabilities.

Conducting lectures ensures the formation of the student's theoretical knowledge in the process of presenting theoretical material, solving problems, situations, tasks of a practical nature, using multimedia tools. Students should carefully listen to the lecture plan, monitor the course of teaching according to the plan. The lecturer highlights the main points of the lecture in various ways: slowing down or speeding up the pace, raising the intonation, using more expressive diction, repeating individual phrases, instructing students to write down definitions or clauses. A summary of lectures should be a shortened record in which the main points are highlighted with the help of active thought and memory. New concepts, definitions and the most informative conclusions should be written down in full to simplify their later reproduction. When considering the main issues of the lecture, it is recommended to pay attention to the analysis of special literature, focusing on debatable issues. When familiarizing students with the positions of various scientists and practical workers, they should be offered to decide on their own position on various problematic issues of international settlements and currency transactions and propose strategic solutions in solving the problems of conducting currency transactions and the optimal choice and implementation of international forms of settlements by counterparties from different countries of the world.

In the course of practical classes, theoretical material is consolidated and practical skills, knowledge and skills are acquired in the process of solving individual and differentiated tasks, problem situations, holding partner discussions, business games, case tasks, presentations, educational projects that model future professional activity specialists. Students consider situations and solve tasks close to the real conditions of their professional activities. Independent processing of the material is focused on creative processing of lectures, preparation for the exam and consists in creating individual reference notes, performing content-research plan exercises, preparing and performing individual and collective tasks. The method of studying the academic discipline is based on a combination of sequential study of lecture material, performance of control tasks, independent work of students using the main and additional material of information sources.

The student must submit an abstract to the teacher for review in time and present the research results in a practical session for their discussion in the classroom (before taking the exam during the semester). Completion of the calculation work is a mandatory condition for admission to the exam. Modular control work is written at the end of the semester to acquire knowledge of the academic discipline. Students must attend both practical and lecture classes. Penalty points for absence from class are not entered. After attending classes, the student receives points for completed tasks (tests, case tasks, trainings, complex tasks, etc.). If he is absent from class without a valid reason, the student cannot resubmit the assignment and receive points. In this way, he loses them in the absence of him in class and uncompleted tasks in the academic discipline. If the student did not attend classes for a valid reason, he must present to the teacher a document confirming the valid reason for his absence. Therefore, it is possible to complete the tasks for consultations. Retaking the exam is carried out according to the terms of the additional session established by the dean's office. Both student and faculty must adhere to the academic integrity policy.

7. Types of control and rating system for evaluating learning outcomes

1. The student's credit module rating consists of the points he receives for:

- performance of control tasks, case tasks, business games (express controls in practical classes);
- execution of modular control work;
- writing an essay.

2. Scoring criteria.

2.1. Express control papers are evaluated at 5 points each:

- "excellent" - complete answer (at least 90% of the required information) - 5 points;
- "good" - a sufficiently complete answer (at least 75% of the required information) or a complete answer with minor inaccuracies - 4 points;
- "satisfactory" - incomplete answer (at least 60% of the required information) and minor errors - 3 points;
- "unsatisfactory" - the answer does not meet the requirements for "satisfactory" - 0 points.

2.2. The modular control work is evaluated at 15 points according to the following criteria:

- "excellent" - complete answer (at least 90% of the required information) - 15-14 points;
- "good" sufficiently complete answer (at least 75% of the required information) or a complete answer with minor inaccuracies - 13-12 points;
- "satisfactory" - incomplete answer (at least 60% of the required information) and minor errors - 11-8 points;
- "unsatisfactory" - the answer does not meet the requirements for "satisfactory", isn't counted - 0 points.

2.3. The abstract is evaluated at 15 points according to the following criteria:

- "excellent" - a creative approach to the disclosure of the chosen topic, a graphical interpretation of the study with an analysis of indicators is correctly presented, a mathematical apparatus is used for calculating indicators, the conclusions and the structure of the solution with the given formulas are presented - 15-14 points;
- "good" - in-depth disclosure of the issues, one's own position on the chosen topic is reflected, mathematical solutions are correctly given and graphically presented, conclusions and the structure of the solution are given, but no formulas are given - 13-11 points;
- "satisfactory" - justified disclosure of the problem with certain shortcomings, graphical interpretation of the research is presented, economic and mathematical methods are correctly applied to the research of the selected topic, but formulas are not presented and conclusions are missing - 10-7 points;
- "unsatisfactory" - task not completed, not credited - 0 points.

A positive grade from the essay is a condition for admission to the exam.

2.4. The exam paper is valued at 40 points. The control task of this work consists of two theoretical questions (Appendix D) and two case tasks (typical ones are presented in Appendix B). Each task is evaluated out of 10 points according to the following criteria:

- "excellent", complete answer (at least 90% of the required information) - 10-9 points;
- "good", sufficiently complete answer (at least 75% of the required information, or minor inaccuracies in solving the problem) - 8-7 points;
- "satisfactory", incomplete answer (at least 60% of the required information and some errors) - 6-3 points;
- "unsatisfactory", the answer does not meet the conditions for "satisfactory" - 0 points.

3. The condition of the first attestation is obtaining at least 16 points. The condition of the second attestation is to obtain at least 45 points and the inclusion of a modular control paper and an essay.

4. The sum of the rating points received by the student during the semester is transferred to the final grade according to the table.

5. Table of conversion of rating points to grades:

<i>Scores</i>	<i>Rating</i>
<i>100-95</i>	<i>Perfectly</i>
<i>94-85</i>	<i>Very good</i>
<i>84-75</i>	<i>Fine</i>
<i>74-65</i>	<i>Satisfactorily</i>
<i>64-60</i>	<i>Enough</i>
<i>Less than 60</i>	<i>Unsatisfactorily</i>
<i>Admission conditions not met</i>	<i>Not allowed</i>

Working program of the academic discipline (syllabus):

Compiled by: Associate Professor, Candidate of Economic Sciences Iryna Hrinko

Approved by the Department of International Economics (protocol No.12, June 14, 2023)

Agreed by the Methodical Commission of the Faculty (protocol No.11, June 30, 2023)

**INDICATIVE TOPICS OF ABSTRACTS ON THE DISCIPLINE
"International settlements and currency transactions"**

1. Evolution of the world currency system. Main features of currency systems.
2. Currency policy.
3. European economic monetary system.
4. State-legal form of organization of international currency relations.
5. International currency liquidity of Ukraine.
6. Analysis of the exchange rate.
7. Convertibility of currencies.
8. Setting and using the official exchange rate. Dynamics of the exchange rate of Ukraine.
9. Regulation of currency regulation and currency control.
10. Licensing of currency transactions.
11. Currency position of the bank: open and closed.
12. The procedure for receiving foreign currency loans from non-residents by residents.
13. Regime of current accounts in foreign currency.
14. Procedure for opening and functioning of coded currency accounts.
15. Ukrainian Interbank Currency Exchange. Regulation of activity.
16. Organization of transactions on the interbank currency market.
17. Grounds for buying currency on the interbank foreign exchange market.
18. Trade in banking metals.
19. Rules for the use of cash and foreign currency on the territory of Ukraine.
20. Currency exchange points.
21. The procedure for moving foreign currency across the customs border of Ukraine.
22. Currency transaction,
23. "Spot" currency operation.
24. Swap currency transactions.
25. Forward currency transactions
26. Currency futures.
27. Currency options.
28. Arbitration operations.
29. Organization of swap operations.
30. Forms of interstate settlements.
31. Currency and financial conditions of foreign economic activity.
32. Deepening of foreign trade relations,
33. Foreign economic contract and its forms.
34. Establishment of correspondent relations with foreign banks.
35. The role of banks in conducting international settlements.
36. Letter of credit form of payments.
37. Selection of the type of letter of credit in carrying out international settlements. '
38. Scheme of organization of letter of credit settlements.
39. Features of the letter of credit form of payments.
40. Unified rules for collection operations.
41. Peculiarities of collection operations.
42. Obligations of collection participants.
43. Document collection organization scheme.
44. Bank transfer: advantages and disadvantages.
45. Application of bank transfers,
46. Forms of transmission of payment instructions.
47. Check form of payments.
48. Peculiarities of check settlements.
49. Promissory note as a form of making payments.
50. Use of promissory notes in the international practice of currency settlements.
51. Transfer of foreign currency at the expense of personal funds of citizens of Ukraine.
52. Use of advance payments: advantages and disadvantages.
53. Features and trends in the development of the eraser card market in Ukraine.
54. Principles of forming the balance of payments.
55. The structure of the balance of payments according to the IMF method.
56. State of the balance of payments of Ukraine: dynamics and development.
57. Balance of current operations.

Typical test tasks of the modular control work

1. Forward operations are:
 - a) agreements between two counterparties on the future supply of currency at a previously agreed rate, which are concluded outside the exchange;
 - b) future purchase and sale agreements between two parties at a previously agreed rate, which are concluded on the stock market;
 - c) agreements giving the right (but not the obligation) to one party to the agreement to buy or sell the corresponding amount of foreign currency at a fixed rate within a specified time;
 - d) currency transaction, which combines the purchase and sale of two currencies on terms of immediate delivery on terms with a simultaneous contract for the corresponding term with the same currencies.

2. Term currency transactions include:
 - a) forwards, futures, options;
 - b) swaps, warrants, options;;
 - c) futures, warrants, notes;
 - d) forwards, swaps, notes.

3. Shortly before the date of execution of the contract, in order to guarantee the fulfilment of its terms, the following may be entered:
 - a) initial margin;
 - b) variation margin;
 - c) additional margin;
 - d) final margin

4. The value of which futures is estimated based on the principle of parity of exchange rates and interest rates:
 - a) futures with deliveries;
 - b) futures contracts on the stock index;
 - c) interest rate futures;
 - d) currency futures.

5. The basis is called:
 - a) the actual difference between the price of the futures contract and the spot rate of the underlying asset;
 - b) the nominal difference between the price of the forward contract and the spot rate of the underlying asset;
 - c) the nominal difference between the price of the futures contract and the cross rate of the underlying asset;
 - d) the actual difference between the price of the forward contract and the cross rate of the underlying asset.

6. The initial margin for one futures contract should, as a rule, cover:
 - a) monthly contract price change;
 - b) a ten-day change in the contract price;
 - c) a twenty-day change in the contract price;
 - d) a one-day change in the contract price;
 - e) a five-day change in the contract price.

7. A call option is a contract that gives the buyer the right to:
 - a) buy a standard amount of the underlying asset;
 - b) sell a standard amount of the underlying asset;
 - c) get a profit with its immediate use;
 - d) buy a standard quantity with an increasing spot rate.

8. The reverse "bear" spread consists in the formation of:
 - a) a long call option (with a higher execution price) and a short call option (with a lower execution price);
 - b) a long call (with a lower execution price) and a short call option (with a higher execution price);
 - c) a short put option (with a lower execution price) and a long call option (with a higher execution price);
 - d) a long put option (with a lower exercise price) and a short call option (with a higher exercise price).

9. The principle of parity consists in:
 - a) determining exchange rates by the ratio between the price levels of two countries;
 - b) stabilization of the purchasing power of money by manoeuvring the gold parity of the monetary unit;
 - c) the need to focus the currency policy of all countries on the key currency and support it as a reserve currency;
 - d) fixing the parities that change in case of a fundamental imbalance in the balance of payments.

10. A closed currency position is:
- the sum of assets and off-balance sheet claims coincides with the sum of balance sheet and off-balance sheet liabilities in each foreign currency;*
 - the sum of balance sheet and off-balance sheet liabilities exceeds the sum of assets and off-balance sheet claims in each foreign currency.*
11. An active market participant who connects buyers and sellers, sets exchange rates and dictates his terms:
- market maker;*
 - market taker.*
12. There are ways to calculate cross rates, taking into account whether currencies are quoted against the dollar:
- two direct quotes,*
 - direct and indirect quotation,*
 - two reverse quotes;*
 - all of the above.*
13. Currency restrictions are:
- legislative or administrative prohibition, limitation and regulation of operations of residents and non-residents with currency and other currency values;*
 - regulated by law methods of fulfilling monetary obligations under a foreign trade contract;*
 - regulation of export and import payment terms.*
14. An advance is:
- a sum of money or property value, which is transferred by the buyer to the seller before the shipment of the goods in order to fulfil the obligations under the contract;*
 - a simple instruction to a commercial bank to its correspondent bank to pay the appropriate amount of money at the request and at the expense of the transferee to the foreign recipient, taking into account the method of reimbursement of the bank to the payer of the paid amount;*
 - bank transfers made in non-cash form*
13. Forms of international accounts differ in the amount of participation of commercial banks in their implementation: the maximum participation of banks is observed when transferring:
- collection;*
 - bank transfer;*
 - letters of credit.*
14. Payment order to pay the amount specified in the check to the owner whose signature is on the travel check at the time of its sale:
- credit card;*
 - traveller's or check;*
 - advance.*
15. If the amount of payment indicated on the check is calculated in a foreign currency for the country of payment, then payment of the check in this currency is carried out:
- in national currency at the exchange rate of the day of payment;*
 - only if it is marked "effective";*
 - through a payment order.*
16. When transferring funds for actually delivered goods (services rendered), it's necessary to indicate:
- payment percentage;*
 - the date of his arrival in the country;*
 - method of making the transfer.*
17. The members of the European banking system "Euro check" include:
- 40 countries;*
 - 10 countries;*
 - 30 countries.*
18. Deposit to the party that did not fulfil the contract:
- does not exempt from damages;*
 - partially exempts from compensation for damages;*
 - fully exempts from damages.*

Typical variants of case tasks for the modular control work and the exam

Option 1

1. The importer must issue an application for the opening of an irrevocable documentary letter of credit and turns to his bank for advice on possible problems when using an irrevocable letter of credit, which he should beware of. Prepare a response to his request.

2. The bank's client receives foreign exchange proceeds for the export of goods mainly from irrevocable letters of credit and partially through collection on the terms of D/P. In both cases, the transport document was always an ordinary bill of lading. However, recently, freight forwarding companies have been offering new forms of transportation and their documentation. The client is concerned about this and wants to find out from his bank the degree of risks associated with the use of unfamiliar documents.

Prepare an answer to the following questions:

A: what are the features:

- a) voyage bill of lading;
- b) bill of lading for mixed transportation;
- c) sea waybill;
- d) waybill.

B: when applying each of the last two documents, which are:

- a) benefits for the importer;
- b) disadvantages for the exporter.

3. Explain why some entrepreneurs are often inclined to believe that an irrevocable documentary letter of credit is:

- a) for the exporter, only a conditional obligation of the bank;
- b) for the importer in such a way that does not ensure full protection of his interests.

Option 2

1. The exporter received a notification through his bank about the conditions of the irrevocable documentary letter of credit opened in his name by the importer. As a banking specialist, give meaningful advice:

- a) what should he do with these conditions in the first place;
- b) what he should remember when preparing the relevant documents.

2. Explain why an increase in the national currency is beneficial to importers.

Define the terms of currency quotations (direct or indirect). Calculate the ratio of each exchange rate. Conditions: USD/CAD - 1.1521; GBR/USD - 1.6991.

3. Using the calendar for a certain month (be sure to specify which month and year) in order to determine:

- a) duration of nominal spot operations /number of days/;
- b) actual duration of operations /number of days/;
- c) the date of final valorisation according to the spot transaction.

Currency Transaction	Days	Business days for spot	Calendar days	Valuation date for spot
GBP	4			
€bpo	15			
CAD	14			

**Indicative questions for preparation for the exam in the academic discipline
"International settlements and currency transactions"**

1. Historical prerequisites for the development of currency relations
2. Types of monetary and financial systems
3. Evolution of the world monetary system
4. Currency and exchange rates as the main elements of the world monetary system
5. The nature and types of currency convertibility
6. Parallel circulation of currencies
7. Mechanism of functioning of the world currency market
8. Types of transactions on the foreign exchange market
9. Structure of the foreign exchange market
10. Currency regulation and currency control
11. The mechanism of transactions on the interbank foreign exchange market
12. The essence of currency dealing in banks
13. Movement of currency across the customs border of Ukraine
14. Rules for transferring foreign currency outside of Ukraine
15. Use of cash foreign currency on the territory of Ukraine
16. Currency transactions with immediate delivery
17. Time agreements with foreign currency
18. Comparative characteristics of futures and forward markets
19. Organization of the bank's international credit operations
20. Essence and forms of international settlements
21. Advance payment in the system of international settlements
22. Payment after shipment as a form of international payments
23. Trading on an open account
24. The mechanism of making international payments using a letter of credit
25. The mechanism of making international payments with the help of collection
26. Means of making international payments
27. Ways of making international payments
28. Change of terms of cancellation and closing of letter of credit
29. Problems, advantages and disadvantages of the letter of credit form of payments
30. Mechanism for opening, maintaining, reissuing and closing currency accounts
31. Peculiarities of opening and maintaining current accounts in foreign currency for foreign representative offices and non-resident investors
32. The procedure for opening and maintaining current currency accounts for individuals
33. Licensing mechanism of currency operations
34. Characteristics of currency purchase and sale operations.
35. International trade settlements in the banking business system
36. Influence of factors on the state of international trade settlements
37. Foreign trade contract as a basis for settlement and credit operations
38. Currency and financial conditions of a foreign trade contract
39. Peculiarities of calculations during export and import operations of Ukrainian enterprises
40. Selection of price currency and payment currency in inflation conditions.
41. Terms of payment as the most important element of currency and financial terms of the contract.
42. Risks in foreign trade operations
43. Prevention of risks by forecasting the exchange rate
44. Methods of hedging against currency risk
45. Bank guarantee as a tool for ensuring the fulfilment of settlement and credit obligations
46. Legal basis of foreign currency provision of international settlement and credit operations of Ukrainian enterprises.
47. Modern shilling systems and their use for currency and interest arbitrage.
48. Possibilities of currency arbitrage by commercial banks of Ukraine.