FEDERAL STATE BUDGET EDUCATIONAL
INSTITUTION OF HIGHER EDUCATION
"LOMONOSOV MOSCOW STATE UNIVERSITY"

FACULTY OF ECONOMICS

«APPROVED»

Dean of the Faculty of Economics, MSU

professor _____ A.A.Auzan

«___» _____2021

COURSE SYLLABUS

Course title:

FOREIGN EXCHANGE TRANSACTIONS MANAGEMENT (IN ENGLISH)

Level of higher education:

MASTER STUDIES

Field of study:

38.04.02. MANAGEMENT

Mode of study:

FULL-TIME

Course syllabus is considered and approved by
the Educational and Methodological Council of the Faculty of Economics
(minutes №_____, date)

Moscow 2021

The course syllabus is developed in accordance with the self-established MSU educational standard (ES MSU) for implemented main professional educational programs of higher education for Master's degree in the field of study 38.04.02. Management

ES MSU is approved by the decision of MSU Academic Council dated December 28, 2020, minutes №7

Year (years) of enrollment: 2021 and forthcoming

1. Place and status of the course in the structure of the Master program

Course status: *elective*
Trimester: 5th

2. Course Prerequisites

This discipline is based on the knowledge and skills acquired as a result of studying following courses:

— Financial Management in a Global Environment (in English),
— International Business (in English),
— Start-up and International Venture Development (in English).

3. Intended learning outcomes (ILO) of the course associated to the required competencies of the graduates

Competencies of graduates (codes)	Indicators of achievement of competencies	Intended learning outcomes of the course (module) associated to the required competencies of the graduates
PC-9. Capable of finding, systematizing and analyzing information in the field of management consulting	**PC-9.I-1.** Defines the information base of research in the field of management consulting	**PC-9.I-1.K-1.** Knows the information base of research in the field of management consulting
		PC-9.I-1.A-1. Able to collect information in the field of management consulting
	PC-9.I-2. Selects methodology and develops tools for systematization and analysis of information in the field of management consulting	**PC-9.I-2.K-1.** Knows the methods of systematization and analysis of information in the field of management consulting
		PC-9.I-2.A-1. Able to analyze and systematize collected information in the field of management consulting
PC-10. Capable of carrying out consulting management projects	**PC-10.I-1.** Conducts consulting research	**PC-10.I-1.K-1.** Knows main technologies and methods of conducting consulting research
		PC-10.I-1.A-1. Able to correctly select and apply methods and tools for developing solutions to the formulated management issues
	PC-10.I-2. Presents the results of	**PC-10.I-2.A-1.** Able to present the results of consulting

	the conducted study in the form of recommendations	research in the form of recommendations
SPC-2. Capable of applying acquired knowledge in practice and using an integrated approach to real business situations in international context	**SPC-2.I-1.** Conducts an integrated analysis of situations related to the current activities of international companies	**SPC-2.I-1.A-1.** Able to conduct a comprehensive analysis of the company's activities in the foreign market considering the priorities of the internationalization strategy
		SPC-2.I-1.A-2. Able to analyze real business cases and identify strengths and weaknesses of managerial decisions in international companies
	SPC-2.I-2. Makes decisions related to international business activities based on an integrated analysis	**SPC-2.I-2.A-1.** Able to analyze the market potential when developing an algorithm for entering new foreign markets
		SPC-2.I-2.A-2. Able to predict and manage the risks of business activities in a foreign territory

4. **Workload of the course by types of activity**

The workload of the discipline is 6 ECTS: 216 academic hours, including 108 academic hours of contact work with a professor, 108 academic hours of self-directed studies.

5. **Learning format**

Full-time, with the use of educational platform On.Econ (use of distant learning technologies is allowed if necessary).

6. **Content of the course structured by topics (sections) indicating the number of academic hours allocated to them and types of training**

Title and brief content of sections and topics of the course (module), Form of assessment for the course (module)	Total (hours)	Contact work (work in contact with a professor) *Types of contact work, hours*				Student self-directed studies *Types of self-directed studies, hours*			
		Seminars	Group consultations	Individual consultations	**Total**	Case study, presentations	Group project	Written examination	**Total**
Topic 1. Introduction to Technical Analysis and	**12**	4	2	2	**8**	-	-	4	**4**

Exchange Trading									
Topic 2. Foundations of the Currency Charting.	**30**	8	4	4	**16**	6	2	6	**14**
Topic 3. Currency Price Chart Analysis. Price Chart Models.	**36**	8	4	4	**16**	12	2	6	**20**
Topic 4. Use of Statistical Indicators in Technical Analysis	**44**	12	4	8	**24**	12	2	6	**20**
Topic 5. Main Applications of Japanese Charting Approach.	**30**	8	4	4	**16**	6	2	6	**14**
Topic 6. Trading Strategies in Technical Analysis	**48**	12	4	8	**24**	12	2	10	**24**
Midterm assessment (control): — *Final group project*	**16**	4	-	-	**4**	-	12	-	**12**
Total	**216**	**56**	**22**	**30**	**108**	**48**	**22**	**38**	**108**

Brief content of the course topics

Topic 1. Introduction to Technical Analysis and Exchange Trading
1.1. Introduction to the discipline. Formation of teams for final projects.
1.2. Exchange trading assets.
1.3. Globalization of the organized markets.
1.4. Transactions execution.
1.5. Open position concept.
1.6. Marginal trading.
1.7. Trade terminals.
1.8. Transaction results interpreting.
1.9. Clearing.

Topic 2. Foundations of the Currency Charting
2.1. Chart types: American bars vs. Japanese candlesticks.
2.2. Tendency definition.
2.3. Significant price levels.
2.4. Trading Range.
2.5. Trend and trend lines of support and resistance.

2.6. Price Channel.
2.7. Correction.

Topic 3. Currency Price Chart Analysis. Price Chart Models
3.1. Head and shoulders
3.2. Triple Peak.
3.3 Fan turnaround.
3.4. Triangles: upward and downward.
3.5. Wedge and Penchant.
3.6. Upside-down head and shoulders.
3.7. Rectangle and diamond.

Topic 4. Use of Statistical Indicators in Technical Analysis
4.1. Moving averages.
4.2. Trend presence indicators: RAVI, Alligator, Bollinger Band.
4.3. Trend change indicators (oscillators): Relative Strength Index (RSI), Stochastic oscillator.
4.4. Oversold and overbought conditions.
4.5. Divergence.

Topic 5. Main Applications of Japanese Charting Approach
5.1. Trend end chart compositions.
5.2. Single candlestick compositions – Doji, Dragonfly, Hammer.
5.3. Double candlestick compositions – Engulfing, Dark Clouds, Pincer.
5.4. Triple candlestick compositions – Star, Three Hills.
5.5. Trend continuation chart compositions.
5.6. Gap.
5.7. Windows.

Topic 6. Trading Strategies in Technical Analysis
6.1. Trading strategy principles and restrictions.
6.2. Positive expected value.
6.3. Risks Identification. MIDD.
6.4. Historical data time series testing.

6.5. Trading strategy profitability.
6.6. Optimal lot size assessment.
6.7. Trade assets selection.

7. Assessment tools to assess the course learning outcomes

7.1. Sample assessment tools:

Learning outcomes of the course	Types of assessment tools
PC-9.I-1.K-1. Knows the information base of research in the field of management consulting	• Participation in discussions • Case study, presentations • Written examination • Final group project
PC-9.I-1.A-1. Able to collect information in the field of management consulting	• Case study, presentations • Final group project
PC-9.I-2.K-1. Knows the methods of systematization and analysis of information in the field of management consulting	• Participation in discussions • Case study, presentations • Written examination • Final group project
PC-9.I-2.A-1. Able to analyze and systematize collected information in the field of management consulting	• Case study, presentations • Final group project
PC-10.I-1.K-1. Knows main technologies and methods of conducting consulting research	• Participation in discussions • Case study, presentations • Written examination • Final group project
PC-10.I-1.A-1. Able to correctly select and apply methods and tools for developing solutions to the formulated management issues	• Case study, presentations • Final group project
PC-10.I-2.A-1. Able to present the results of consulting research in the form of recommendations	• Case study, presentations • Final group project
SPC-2.I-1.A-1. Able to conduct a comprehensive analysis of the company's activities in the foreign market considering the priorities of the internationalization strategy	• Case study, presentations • Final group project

SPC-2.I-1.A-2. Able to analyze real business cases and identify strengths and weaknesses of managerial decisions in international companies	• Case study, presentations • Final group project
SPC-2.I-2.A-1. Able to analyze the market potential when developing an algorithm for entering new foreign markets	• Case study, presentations • Final group project
SPC-2.I-2.A-2. Able to predict and manage the risks of business activities in a foreign territory	• Case study, presentations • Final group project

7.2. Course assessment criteria (scores):

Types of assessment tools	Score
Participation in discussions	90
Case study, presentations	100
Written examination	50
Final group project	60
Total	**300**

7.3. Grade for the course is determined based on the following criteria:

Grade	Minimum score	Maximum score
Excellent	255	300
Good	195	254,9
Satisfactory	120	194,9
Failed	0,0	119,9

Note: in case a student's score obtained during the trimester is less than 20% of the maximum score of the discipline, the following rule of passing the course should be applied at the midterm assessment (and further re-examination): 'a student can obtain only a satisfactory mark and only in case she/he receives for the midterm assessment, including all the course material, no less than 85% of the score allocated to this assessment'.

7.4. Typical tasks and other materials necessary to assess the learning outcomes:

— Participation in discussions
Sample questions for discussion:

1. What are the current research problems facing fundamental analysis in the international currency trading?
2. What are the principal purposes for use of fundamental and technical analysis in relation to currency trading?
3. How to substantiate the necessity of choice for technical analysis?
4. How to explain the unprecedented daily volume of currency trading?
5. Who generates the demand for a foreign currency in a global scale?
6. What is the main reason for that growing demand existence?
7. What is the dominating factor for sustainable price trends forming?
8. Describe the difference between roles of central and commercial banks in world currency trading.

— *Case study, presentations*
- Recent trends on a daily GBP/USD currency pair
- Review of an hourly chart for the USD/JPY
- My choice of an indicators set.
- Rating of the Triple Japanese Candlestick combination.
- Most effective trend continuation price chart models.

— *Written examination*

It includes all the material studied before the examination. Successful writing of a test requires not only studying contact lesson materials, but also recommended literature.

The examination includes test questions with multiple choice, including theoretical, quantitative and analytical questions.

Examples:

a) what is the role of an individual trader – broker/market maker/price taker;

b) you are quoted EUR/USD 1.1558/1.1555, what is your price to open a long position – 1.1552/1.1555/1.1558

— *Group project*
The course project is carried out in small groups, the distribution of students into groups and discussion of the project topics takes place at the first seminar.
Sample tasks to be made within a project:
- Prepare a brief price movement review on the selected currency pair (e.g., USD/CAD)
- Monitor a news-price correspondence for a major expected event (Interest rate change)
- Make a test of a trading strategy using historical data.
- Apply a strategy of your choice for opening online position for several days

- Decide on a buy or sell market transaction based on current and past volatility.

7.5. Methodological guidelines and assignment requirements:

All assignments must be completed in strict accordance with the requirements set out at the course page at the educational pl atform On.Econ.

8. Resources

8.1. List of main and additional literature

Main literature:
E.V. Belova, D.K. Okorokov Technical analysis of financial markets. Tutorial. Faculty of Economics, Moscow State University. Moscow Infra-M. 2009

Additional literature (for reports and essays preparation):
1. John J. Murphy. Technical Analysis of the Futures Markets. N.Y.   New York Institute of Finance. 1999
2. Williams L. Secrets of trading in the futures market. Moscow. Alpina Publishers, 2011
3. Elder A. Fundamentals of exchange trading. Moscow. CRP 2002
4. Nyman E. Small Trader Encyclopedia. Moscow. VIRA-R Alpha Capital. 1999

8.2. List of licensed software

Package of Software 'Microsoft Office'.

Rumus Trading Analytical Platform.

8.3. List of professional databases and information referral systems

Institutional subscription resources of the Faculty of Economics, MSU.

8.4. List of Internet resources (if necessary)

1) Financial news sites: RBC, Prime – TASS
2) Sites of leading Russian brokerage companies.

3) Sites of leading Russian banks.
4) Sites of leading Russian mutual funds.
5) Sites of leading Russian management (investment) companies.
6) Website of the Central Bank of the Russian Federation: www.cbr.ru
7) Website of the Federal Service for Financial Markets: www.ffms.ru
8) Bloomberg News Agency website: http://www.bloomberg.com
9) Reuters News Agency website: http://www.reuters.comhttp://micex.ru/
10) http://micex.ru/
11) http://broker.ru/
12) http://brokerkf.ru/
13) http://www.fxclub.org/

8.5. Description of material and technical support

For the appropriate organization of classes, the following equipment is needed:

- 'ON.ECON' electronic educational information environment of the Faculty of Economics, Lomonosov Moscow State University;
- multimedia class with a video projector, Internet access
- Institutional subscription resources of the Faculty of Economics, MSU.

9. Language of instruction: English

10. Professor (professors): PhD in Economics, assoc. prof. Starkov V.G.

11. Syllabus authors: PhD in Economics, assoc. prof. Starkov V.G.