

## Analysis of Teaching Reform of International Finance Course in Application-Oriented Undergraduate Colleges and Universities: Taking Economics College of Changchun University as an Example

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### Abstract

With the further internationalization of RMB and its rising international status, the Chinese government, enterprises and individuals have been involved in international business activities thoroughly and extensively, compared with the situation before entering WTO. Under the backdrop, the employers ask for more qualifications of the talents in International Finance. However, there are still problems in teaching content, teaching materials, teaching methods and practical teaching design, etc. of International Finance course in many colleges and universities, and the teaching quality fails to meet the requirements of the employers, resulting in imbalance between supply and demand. The paper tries to explore the problems in the teaching process of International Finance and proposes some suggestions for improvement in teaching content, teaching materials, teaching methods and practical teaching and examination reform, etc.

**Key words:** International finance; Application-oriented; Teaching reform practical teaching

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### INTRODUCTION

The Ministry of Finance of People's Republic of China issued sovereign bonds of 2,000,000,000 US Dollars in the Hong Kong Market on 26<sup>th</sup> October 2017, which was the first time for the Chinese government to have issued sovereign bonds in the past 13 years. Bonds then were all grabbed by the international investors, gaining subscription to 22,000,000,000 US Dollars, which was 11 times as much as the issuing value of bonds. Under the circumstance that the main international credit rating agencies lowered the Chinese sovereign credit rating, the issue of Chinese international bonds has been proved successful, which means that the international investors have recognized the Chinese sovereign credit and good economic situation. The Chinese economy was prosperous and the RMB-US Dollar exchange rate has gone up to 6.44, getting rid of the panic of "RMB depreciation" at the beginning of 2017. Onshore US Dollar-RMB exchange rate has risen by 6.72% accumulatively during 2017, which is the highest rate of increase during the past nine years. The continuous robust RMB boosts its internationalization. Pakistan declared the plan to sign the agreement of Bilateral Currency Swap in December 2017 to decrease the demand of the current from the third party, therefore, RMB and Pakistan Rupee will be taken as the currency for trade and investment settlement between China and Pakistan.

China has signed the agreement of Bilateral Currency Swap with 36 countries and regions in 2017, with the amount accumulating 3,000,000,000,000 RMB. Under the backdrop, the employers ask for more about the talents of international finance, and the highly qualified application-oriented talents of international finance should be proficient in basic theory of international finance and put it into practice creatively and flexibly. However, there are still many problems in International Finance course. Therefore, it is urgent to research the project of teaching

reform of International Finance course and improvement of teaching quality so as to meet the requirements of the employers.

## 1. THE NATURE OF INTERNATIONAL FINANCE AND ITS TEACHING OBJECTIVE

### 1.1 The Nature of the Course

International Finance course is a compulsive professional course for the specialty of economics and management in the application-oriented colleges and universities, and a major course confirmed by the State Education Commission. It makes an analysis of economic and financial activities and inherent regularity from the global perspective. The research target is the monetary and financial relation between different countries, exploring the regularity of disequilibrium of payments balance, regularity of fluctuation of exchange rate, regularity of capital flow, foreign exchange transaction, foreign exchange control, foreign exchange risk and monetary crisis, etc. The course not only offers the analytical tools and basic theoretical framework for explaining international currency and financial relations, but also provides relative guidance for the involvement of enterprises, government and individuals in international economic activities. The requirements of the course is that students will further study international financial theory and practice, grasp economic and financial operation and regularity between different countries, on the basis of accomplishing the prerequisite course-Finance, so as to meet the requirement of economic globalization and development of integration. Meanwhile, students will learn the basic knowledge such as foreign exchange, international balance of payments, exchange rate, foreign exchange transaction, international financial market, and foreign exchange risk, etc. Moreover, students' comprehensive ability of putting the theory of international finance into practical problems will be cultivated.

### 1.2 The Teaching Objective of International Finance Course

As for theoretical study, students will learn the basic concepts and basic theory such as foreign exchange and exchange rate, international balance of payments, exchange rate system, international reserves, international financial market, principle of foreign exchange transactions, risk management for foreign exchange, international capital flow and international financial crisis, etc. after studying the course. With respect to professional ability, students are motivated to form the good habit of paying attention to the international financial problems all the time, to have an insight into the significant problems of international finance, such as European debt crisis, subprime mortgage crisis in USA

and the Brexit of Britain, and to learn how to analyze the problems by comprehensively making use of the theory of international finance. Regarding practice of foreign exchange transaction, students will learn how to read the quotation of foreign exchange in the market, make a rational analysis of the trend of the exchange rate and deal with various foreign exchange transactions proficiently.

## 2. THE PROBLEMS IN THE TEACHING OF INTERNATIONAL FINANCE COURSE

### 2.1 Teaching Methods Need to Be Further Improved

The overall credit hours of the International Finance course in our college reach as many as 48 hours, including 40 hours of theory and 8 hours of practice. Before the teaching reform, when dealing with the 40 hours of theoretical teaching, the teachers involved in the course team adopted the cramming teaching method in order to finish all the basic knowledge in the course. The teaching method was helpful for teachers to finish their task, but would neglect the cultivation of students' active learning and fail to motivate students' learning interest, therefore, the teaching effect was far from satisfaction and it went against objective of application-oriented development of students. The International Finance course in the Economics College was approved as the key course to which the university would give priority. The teachers in the team then carried out the preliminary reform of teaching method. The case-based teaching method was introduced in class. The teachers elaborately selected some of the classic cases to be analyzed and discussed in class, to motivate students' learning enthusiasm, liven up the atmosphere and improve the teaching effect. However, there are still students playing mobile phones in class without getting involved in class whole-heartedly, which means that the teaching method needs to be further improved.

### 2.2 Fewer Textbooks Can Match Up With the Teaching Objective

Taking the textbook for International Finance in Economics College of Changchun University for example, several textbooks have been adopted in succession since the setup of the course, including *International Finance* (Chen Yulu, China Renmin University Press), *International Finance* (Jiang Boke, Fudan University Press), *International Finance* (Liu Shunian, China Renmin University Press), *International Finance* (Han Yuzhen, Capital University of Economics and Business Press), etc. These textbooks are all awarded textbooks or textbooks of top quality in the international finance, which enjoy high prestige and have been universally adopted by the first-class universities in China. However, these well-known textbooks don't seem to agree with the general application-

oriented undergraduate universities. The content of these textbooks puts relatively more emphasis on theory and suits for those students with solid professional foundation, relatively high comprehension and self-study ability. However, the students of general application-oriented colleges and universities lack ability to grasp the content of these textbooks. On the other hand, those textbooks of International Finance in the bookstores for High Vocational College students emphasize practice with the lack of theoretical foundation. The textbooks which are suitable for general application-oriented undergraduate college and universities should give consideration to both basic theoretical knowledge and practice, with timely updated content and the cases and exercises meeting the requirements of cultivation of application-oriented talents. At present, the textbook which can meet the requirements mentioned above is very rare.

### **2.3 The Practical Teaching Needs to Be Further Improved**

The practical teaching of International Finance course in application-oriented colleges and universities will be carried out from two aspects. Firstly, the financial laboratory in the campus will be built, transaction software will be purchased so that the students will simulate the foreign exchange transactions. Secondly, the off-campus practical and training bases will be established. Universal problems about these two aspects lie in that on the one hand there aren't enough credit hours of online simulated transaction in the lab or there are deficiencies in the software so that the students fail to experience the overall transaction process. On the other hand, the construction of the practical and training base is just formality, for the students are not allowed to get access to the investment department, accounting department, risk control department, foreign currency exchange department involved in the foreign exchange transaction and can only gain a shallow understanding, consequently, the objective of practice can't be fully realized.

### **2.4 The Evaluation Approach Needs to Be More Flexible**

Closed-book examination has long been adopted as the evaluation of International Finance course in colleges and universities. It is the product of exam-oriented education, students have to deal with various examination papers since their primary school. The method seems to be fair, but it neglects the cultivation of students' comprehensive ability. Although regular performance (20%) have been added with closed-book examination accounting for 80% of the result, with the relatively high proportion of written exam, most students are not attentive in class, inactive in interaction with the teachers and don't work hard on professional problems. As a result, they will cram for the exam by rote memorization, getting a good result in the examination with low proficiency and poor practical

ability. At present, the evaluation of International Finance course in Economics College of Changchun University is as follows: regular performance (20%) + experiment performance (10%) + closed-book examination (70%). The problem is that the proportion of written exam is relatively high, which will not sufficiently evaluate students' learning process, therefore, it needs to be further improved.

## **3. MEASURES FOR TEACHING REFORM OF INTERNATIONAL FINANCE COURSE IN APPLICATION-ORIENTED COLLEGES AND UNIVERSITIES**

### **3.1 Reform the Teaching Methods Based on the Objective of "Learn Well"**

In January 2018, the Ministry of Education issued the "National Standard on the Teaching Quality of Undergraduate Program of Higher Education Institutions". The "students-centered" teaching procedure in the undergraduate program of higher education institutions is emphasized in the National Standard. Teachers should focus on how to motivate students' interest and potential, adopt creative teaching modes, reform teaching methods, promote the transition from "teach well" to "learn well". The "cramming" teaching method at present which is teacher-centered can't meet the requirements stated in the National Standard. Therefore, case-study mode is carried out in class in order to improve the teaching effect of the course and make students learn well. As for the selection of the cases, the teachers should pay attention to the classic cases and focus on the cases related with practical work and investment. The teachers mainly collect the cases of practice by carrying out survey in foreign-related enterprises, banks and fund-raising organizations, sort out and organize the data and materials, and generalize the cases in their spare time. Meanwhile, students are encouraged to collect the cases of international finance. The active students will be awarded in the results of regular performance. In order to get all the students involved in the case analysis and discussion, teachers should consider the number and level of each group when setting up groups. From the experience of Economics College of Changchun University, the students in each group should be no more than four members to avoid "evasion". The active students and inactive students should be arranged into one group to achieve better effect. Besides case-study method, video show can be adopted in the course as well. It is impossible for the teachers to cover and explain all the knowledge in class because of the limited credit hours. Teachers will then focus on the main knowledge and the important and difficult points of the course. As for some parts which students can learn by themselves, such as international financial organizations,

international monetary system, teachers will make some micro lectures on the school website and students will watch and learn. The video is also helpful for Q&A after class. The teachers will answer the frequently asked questions for students through video on Wechat.

### 3.2 Select or Compile Textbooks Based on Cultivation Objective

The textbooks of International Finance course for application-oriented colleges and universities should meet the requirements of development objective. The teachers shouldn't select the textbooks of well-known universities aimlessly, they should select appropriate textbooks which suit for students' learning ability and objective of professional development. The teachers can compile and work out their own textbooks and reference books to teach the students according to their aptitude based on the objective of professional development. At present, the teachers in the economics department have compiled the textbook by themselves, with professor Wang Xiaoguang as the chief editor and other teachers in the team as editors, published by Tsinghua University Press. The textbook has been adopted in the four specialties of the Economics College, with relatively good effect. The teachers in the team will persistently improve the content based on the feedback from students and teaching effect, to meet the requirements of the development objective better.

### 3.3 Strengthen the Construction of Practical Teaching

As for the application-oriented colleges and universities without financial labs, they should purchase the relevant facilities and build up the financial lab as soon as possible. Students then can simulate various foreign exchange transactions through professional software and cultivate the ability to understand the quotation and to deal with the foreign exchange transaction, enhance the awareness of risk and stop-loss. For those with financial labs, they should keep on improving their facilities and transaction software, update the relevant database of foreign exchange transactions, expand the types of transaction. To motivate students' involvement in simulated transactions, the teachers can organize competition of simulated foreign exchange transactions, encourage students to take part in the competition and rank the result. The students who have good results will be given rewards or awarded with credit points. Furthermore, the university should enhance the university-enterprise cooperation and put the off-campus practice and training into implementation. The university can also invite some experienced professionals to give lectures for students and share their practical experience with the students.

### 3.4 Optimize the Evaluation Methods With the Focus on the Comprehensive Ability

To improve the teaching effect of International Finance course, the teachers continuously improve the evaluation

method, establishing diversified flexible comprehensive scientific evaluation mechanism with comprehensive ability as the focus. The teachers will evaluate students' mastery of the content, students' ability to put theory into practice and students' involvement in the learning process as well. The evaluation mode will be conducive for motivating students' independent thinking and promote development of students' professional quality. The students' performance will be evaluated from three aspects: closed-book exam ( $\leq 60\%$ ), to evaluate students' learning of the basic knowledge; the test for practical ability (20%), including students' revenue in the simulated online transaction, the ranking in the competition of foreign exchange transaction and the transaction report; the students' involvement in learning process (20%), including attendance, case discussion and involvement, after-class assignments and the term paper.

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## CONCLUSION

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The reform of International Finance course is the inevitable result of modern social and economic development and the inevitable requirement for further development of teaching reform and for cultivating more excellent talents who will contribute to the development of modern finance. The reform of the course doesn't only mean the respect to the students' future development, but also the respect to the financial industry. However, the teaching reform at present is still at the preliminary stage, there are still problems to be resolved, such as the deficient teaching assistance. To settle these problems, the university and the society will work persistently. As long as the teachers stick to the correct teaching objective, they will cultivate more excellent talents of international finance and contribute to the development of the society.

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