

International Finance (EM1F5M2AA1)

Program	PGE
Module / ECTS / Path / Specialisation	Module :Principles of International Management : 18 ECTS. <ul style="list-style-type: none">● PGE 3A - International and European Business (IEB)
Discipline	Finance
Year	2019
Semester	A
Open for visitors	yes (4 ECTS)
Available places	40

Coordinator

Jean-Loup SOULA

Lecturers

Instructor	Population	Email
Jean-Loup SOULA	Population	jlsoula@unistra.fr

Course format

Working language :	English
Volume of contact hours :	20 h
Workload to be expected by the student :	60 h

Course track

Track : Attendance

"Attendance" track :

Attendance at lecture / tutorial classes and intermediate / final exams is mandatory. As evaluation of in class work constitutes an essential element of grading, any absence will be penalized and is taken into account for grading purposes (see academic rules and regulations).

"Autonomous" track :

Attendance at intermediate / final exams is mandatory, but students are free to attend lecture / tutorial classes.

For all Master programs and all other programs realized in the form of dual internships (apprentissage), attendance at lecture / tutorial classes and intermediate / final exams is entirely mandatory. Therefore, only the "Attendance" track can be selected.

Contribution of the course to the educational objectives of the programme

How the course contributes to the programme :

Description

- The course is concerned with matters of international financial management. It aims at equipping future leaders with the analytical tools they need to manage finance in the international business environment faced with by multinational corporations. It blends theory, practical illustrations and case studies to prepare future MNC managers to make sound international financial decisions and manage the risk of business in a competitive global environment.
- In an introduction the course covers the environment of international financial management and the context and principles surrounding the financing of global firms. It then lists the reasons & determinants for direct foreign investments. It describes the analytical tools required to perform multinational capital budgeting, including country risk assessment. The last part is devoted to the management of short term issues in a global context such as the management of net working capital, the management of transfer prices, and currency risk management.

Educational organisation

In class

Lectures

In groups

Exercises

Projects

Learning outcomes

Upon completion of this course, students should be able to :

- **Recognize** the specific needs of multinational corporations in terms of financial management
- **Describe** the tools multinational corporations can use
- **Operate** appropriate solutions to management problems
- **Examine** the pro and cons of given financial decisions
- **Synthesize** the opportunities and risks faced by a multinational corporation
- **Evaluate** the orientation a multinational should take in terms of financial management

Outline

- Environment of international Financial Management: Country risk analysis
- Financing the multinational corporation: International financing and national capital markets, cost of capital for foreign investments
- Foreign investment analysis: Capital budgeting for the multinational corporation
- Multinational working capital management
- Managing currency risk (foreign exchange market, forward markets and transaction exchange risk)

Prerequisites

Key concepts to understand :

Net Present Value
Net Working Capital

Cost of Capital

Knowledge of :

- Basic mathematical skills
- Vocabulary of corporate finance

Teaching material

Documents in all formats

- Syllabus
- Transparencies in paper format
- Worksheets

Software

- Office Pack (Word, Excel, PowerPoint, Access)

Recommended reading

Major works :

Reference manual: A. C. Shapiro, 2013, Multinational Financial Management, Wiley
<http://unistra.scholarvox.com.scd-rproxy.u-strasbg.fr/catalog/book/docid/88834221>

Further reading :

Various publications from international organizations indicated as possible sources of information to write the essay.

Research works by EM Strasbourg :

Assessment

Intermediate evaluation / continuous assessment 1 :

written / in group / English / weighting : 25%
additional information : Essay writing in groups of 3-4 students
This evaluation serves to measure LO1.1, LO1.2, LO2.1, LO4.2

Intermediate evaluation / continuous assessment 2 :

written / individual / English / weighting : 25%
additional information : Moodle quizzes with time constraint
This evaluation serves to measure LO1.1, LO1.2, LO4.2

Final assessment : exam week

written (120 min) / individual / English / weighting : 50%
This evaluation serves to measure LO1.1, LO1.2, LO4.2

Grounds for expulsion from classes

Such behaviors as...

arriving late, leaving early or unannounced leaving of the classroom during class time

disruptive eating or drinking in class

using smartphones and laptops for non class-related purposes

reading non class-related documents

chatting on non class-related issues

showing disrespect towards lecturers

... may lead to expulsion from classes.