

<b>Subject:</b>	<b><i>International Finance</i></b>
<b>Hours:</b>	<b>30</b>
<b>ECTS:</b>	

<b>Name/title of the author:</b>	Drs. Jacques A.S. Vermeeren
<b>Course Description:</b> (min.400 characters)	<p>International business is not new. The transfer of goods and services across national borders has been taken place for thousands of years, antedating even Joseph's advice to the rulers of Egypt to establish that nation as the granary of the Middle East.</p> <p>Since the end of World War II, however, international business has undergone a revolution out of which has emerged one of the most important economic phenomena of the latter half of the twentieth century: the multinational corporation (MNC).</p> <p>International financial markets are becoming more and more important to generate funds at the lowest possible cost. The investment activities of the management of the company allocate these funds over time in such a way that shareholder wealth is maximized.</p> <p>Exchange rate risk involves both financing decisions and investment decisions. The continuity of companies is at stake in the globalising world of business and heavily depends on the way management is able to control exchange rate risk. A financial disaster is not only a bad dream but can easily turn out to reality.</p>
<b>Learning Outcomes</b> (Goals and Objectives of the course): (min.200 characters)	<p>This course will give students basic knowledge of multinational financial management. It will enable students to quantify and interpret exchange rate risk of a multinational company and to judge whether this risk is worth hedging.</p> <p>This course will also enable students to interpret financial information from daily press and relate this with company performance.</p>
<b>Entrance qualifications:</b>	Basic financial management
<b>Course Content:</b> (min.400 characters)	<p>This course will clarify:</p> <ul style="list-style-type: none"> <li>• The essential characteristics of Multinational Companies</li> <li>• Parity Conditions in International Finance</li> <li>• The foreign exchange market</li> <li>• Instruments to hedge exchange rate risk: Currency forwards, futures, options and swaps</li> <li>• Measuring and managing accounting exchange rate exposure</li> <li>• Measuring and managing economic exchange rate exposure</li> </ul>
<b>Assessment policy</b> (examination):	Assessment of oral presentations, written case studies, oral exam.
<b>Course materials/bibliography:</b>	<p>Shapiro, Alan C., Foundations of Multinational Financial Management, 5<sup>th</sup> edition, Wiley, 2005</p> <p>Shapiro, Balbirer, S.D., Modern Corporate Finance, 2000, Prentice Hall</p> <p>Vermeeren, J.A.S., Reader Multinational Financial Management</p> <p>Annual Reports</p> <p>Wall Street Journal Europe</p> <p>Several case studies (to be handed out)</p>
<b>Methods of Instruction:</b>	Lectures and work groups using case studies and intensive and creative student interaction in a practical approach.