



Course syllabus

Faculty Board of Business, Economics and Design
School of Business and Economics

2FE009 Internationell Företagsfinansiering och Riskhantering, 7,5
högskolepoäng

International Finance and Risk Management, 7.5 credits

Main field of study

Business Administration

Subject Group

Business Administration

Level of classification

First Level

Progression

G2F

Date of Ratification

Approved by the Board of the School of Business and Economics 2009-06-17

Revised 2010-06-24. Revision to clarify the prerequisites and grading (standardization of the text).

The course syllabus is valid from spring semester 2011

Prerequisites

Portfolio Choice Theory 7.5 credits, Econometrics 7.5 credits, Financial Economics II, Corporate Finance 15 credits and International Finance 7.5 credits or the equivalent.

Expected learning outcomes

After course completion the student will be able to:

- explain different financial aspects in relation to business, investments and financial activities of the internationally active corporation and the increasing importance of international financial integration
- describe the international financial markets, its institutions and different financial instruments
- account for the effects of international diversification on company costs of capital and the financial and strategic effects of becoming a multinational enterprise
- describe different ways of payment in international trade and finance of export through export credits
- calculate the company's currency risk and manage to reduce the currency risk
- explain the risks, strategic and operative riskmanagement as well as knowledge of measuring risks concerning assets and financial instruments, with a focus on the risk for financial institutions
- measure these risks for financial assets using Value-at-risk and reduced and

structural credit models. Further, the students shall also be able to describe how to evaluate these risks using stresstesting, backtesting, riskmetrics and expected tail loss and how rating institutions evaluate the credit risk

- account for how these risks are regulated in the different Basel treaties

Content

The course contains the following elements:

- The international financial environment and financial planning
- International Financial Integration
- International financial markets. Exchange rates and the currency markets
- Risks, risk management, currency risks
- Market risk and Value-at-risk (VAR); Riskmetrics, stresstesting, backtesting
- Credit risk, liquidity risk and operational risk. Capital requirements regarding these risks according to the rules in Basel
- Finance and investment planning in the internationally active corporation
- Payment and export credits
- International diversification and company costs of capital

Type of Instruction

Lectures, seminars, theoretical and practical assignments. Certain parts of the education are compulsory.

Examination

The course is assessed with the grades Fail (U), Pass (G) or Pass with Distinction (VG).

The course is examined by oral and/or written examinations. The course can also be examined by cases, laboratory works or other assignments.

Results are graded using one of the terms Passed with distinction (80% -100%), Pass (60%-79%) or Fail (0%-59%), and A-F according to the ECTS scale.

Students who do not achieve a satisfactory result in the examinations are permitted to make a second attempt approximately 5-8 weeks after the normal examination date. The student will have a minimum of five occasions for written exams in relation to the syllabus to which the student was accepted. Usually 3 occasions per academic year.

Course Evaluation

A written course evaluation is performed and compiled into a report to be kept in the university school archives. The result and any measures taken are communicated to the course co-ordinator and presented to the students participating the next time the course is offered.

Required Reading and Additional Study Material

Required reading

Brealey, R, Meyers, S, Principles of Corporate Finance, McGraw Hill, 922 pages

Dowd, Kevin, Introduction to Risk Management, Wiley, 230 pages

Eiteman, D K, Stonehill, A I, Moffet, M H, Multinational Business Finance, Addison Wesley, 11th edition, 780 pages

Articles, 150 pages

Reference literature

Oxelheim, L, Wihlborg, C, Macroeconomic Uncertainty - International Risks and Opportunities for the Corporation, Wiley, 240 pages