



## Course syllabus

School of Business and Economics

Department of Management Accounting and Logistics

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 2009-06-17

Revised 2015-01-21 by School of Business and Economics. Revision to clarify the grading, teaching forms, objectives, content and literature.

The course syllabus is valid from spring semester 2015

### **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.

## Objectives

After course completion the student will be able to:

- account for various financial aspects in relation to internationally active companies and its trade, investment- and financing activities and the increasing importance of international financial integration
- describe how the international financial markets, its various institutions and financial instruments can be used to reduce the risks related to international trade and reduce company financing costs
- describe company modes of payment in international trade, and the process of export financing
- calculate and measure the company's foreign currency risks (eg through VaR) and implement currency risk management to reduce this risk
- account for strategies to manage currency risks in company transactions, operational functions and balance sheet contents

## Content

The course contains the following elements:

- awareness of the barriers and opportunities for companies to exploit international financial environments and to execute financial planning
- international diversification and company costs of capital
- financial strategies for international business
- finance and investment planning in the internationally active company
- currency hedging of foreign exchange, financial instruments and operational planning
- currency hedging balance sheet, operational and transaction risks
- calculations of VaR
- payment and export credits

## Type of Instruction

Lectures, exercises/seminars and cases. Obligatory parts are stated in the schedule.

## Examination

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

The course is examined by written examination and cases with presentations.

Results are graded using one of the terms Passed with distinction, Pass or Fail, and A-F according to the ECTS scale.

For the grade pass, the objectives have to be reached; the grade is based upon the degree to which the objectives are met. The weighing of the grades to the course grade is following the principles in the document "Principer för betygsrapportering dnr: ELNU 2011/160".

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. Students that do not pass reports can complement according to instructions from the examiner.

## Course Evaluation

A written course evaluation is carried out and compiled in a report, which is archived at the faculty. The results and possible measures taken are communicated by the course coordinator and presented to the students the next time the course is given, or in another way deemed suitable by the course coordinator. Other types of course evaluations, for example regular evaluations throughout the course or discussions with students, will be included and encouraged with the aim of ensuring continuous quality development.

## Required Reading and Additional Study Material

### Required reading

Dowd, K. *An Introduction to Market Risk Measurement*. Wiley. Latest edition. 304 pages.

Eiteman, D. K., Stonehill, A. I. & Moffett, M. H. *Multinational Business Finance*. Addison Wesley. Latest edition. 780 pages.

Scientific articles. 150 pages.

### Reference literature

Brealey, R., Meyers, S. & Allen, F. *Principles of Corporate Finance*. McGraw Hill. Latest edition. 1120 pages.

Oxelheim, L. & Wihlborg, C. *Macroeconomic Uncertainty - International Risks and Opportunities for the Corporation*. Wiley. Latest edition. 240 pages.