



Course syllabus

School of Business and Economics

Department of Management Accounting and Logistics

2FE199 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 School of Business and Economics 2015-04-15

The course syllabus is valid from spring semester 2016

Prerequisites

Portfolio Choice Theory 7.5 credits, Econometrics 7.5 credits, Corporate Finance I 7.5 credits, Corporate Finance II 7.5 hp 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

- 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 A, B, C, D, E, Fx or F.

The course is examined by written examination and cases.

The grade A constitutes the highest grade on the scale and the remaining grades follow in descending order where the grade E is the lowest grade on the scale that will result in a pass. The grade F means that the student's performance is assessed as fail.

After each regular examination there will be at least one new examination in close proximity to the date the results of the regular exam were posted. A minimum of five occasions for written exams will be offered in relation to the syllabus to which the student was accepted. Usually three occasions per academic year are offered. Students that fail reports can complement after instructions from the examiner to obtain a pass grade.

Grading criteria for the A–F scale are communicated in writing to the student by the start of the course/module at the latest, as well as how grades on separate elements of examination are weighed to a final course grade.

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.

Credit Overlap

The course cannot be included in a degree along with the following course/courses of which the content fully, or partly, corresponds to the content of this course: The course overlaps 2FE009 and 2FE045:7 with 7.5 credits each.

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.

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