1. JUSTIFICACIÓN CURSO

This course provides a general introduction to international finance and it contributes to the development of judgment in situation of management decision-making related to international finance issues applied to trade and investment.

Students will be given an understanding of running a company that is involved with international trade and the macroeconomic implications of being part of an international economy.

The course considers issues such as the determination of the exchange rates, the world’s capital markets, the use of derivatives to manage exchange rate risk, and, in general, the most important aspects related to the key multidisciplinary issues in the field of international finance. All these aspects, will not only enhance student’s perspective and competence of the global financial market but also will complement its basic conditions to perform with excellence, according to the necessities of companies and the nation, improving their development through their university life and preparing them for their careers in international business.

The relationship that this course has with the overall general study plan is based on the quality of the financial tools that it provides to enhance the performance at professional level and the abilities it develops in order to run a company that is involved with international activity.

2. OBJETIVOS GENERALES DEL CURSO

2.1. To present the history of the International monetary system and its implications on today’s financial markets activities.

2.2.
To introduce the student to the various theories about the parity conditions needed to maintain a financial order in the global economy.

2.3. To understand the foreign exchange market, developing abilities to work with foreign exchange rates.

2.4. To prepare the student on the covering and hedging needs that every international business negotiator must face when working in an international environment.

2.5. To analyze the different exposures in terms of currency management that arise when being involved with different business models in a Global economy.

2.6. Analyze the different options of capital availability and its uses by multinational enterprises.

2.7. To present the different modalities taking place over the Multinational business environment in investment activities, such as FDI, Mergers, acquisitions, and valuation.

3. DESCRIPCIÓN ANALÍTICA DE CONTENIDOS

3.1. CONTENT.

3.1.1. TOPICS:

3.1.1.1. Course Presentation.

3.1.1.2. Comparative Corporate governance and financial goals.

3.1.1.3. The international monetary system.

3.1.2. OBJECTIVES:

3.1.2.1. To understand the financial goals of the companies from a MNEs perspective, involving concepts as corporate governance, models of stake, stock and share holders wealth maximization and its implications on the board, directors and companies performance.

3.1.2.2. To understand the history of the International monetary system, it functions, the different currency regimes and its tradeoffs based on rules, discretion, cooperation and independence.

3.1.3. METHODOLOGY:

3.1.3.1. Teachers presentations and lecture and discussions

3.1.3.2. Cases about situations involving currency regimes.
3.1.4. **BIBLIOGRAPHY.**

3.1.4.1. Multinational Finance, Ch 1 and 2.

3.1.4.2. www.fmi.org

3.2. **CONTENT.**

3.2.1. **TOPICS:**

3.2.1.1. International parity conditions.

3.2.1.2. Foreign Exchange rate determination and forecasting.

3.2.1.3. The foreign Exchange market.

3.2.1.4. Foreign currency derivatives.

3.2.2. **OBJECTIVES:**

3.2.2.1. To demonstrate how price levels and its changes (inflation) in a country determine the exchange rate at which its currency is traded.

3.2.2.2. Show how interest rate reflects inflationary forces within each country and currency.

3.2.2.3. Explain the different theories used for exchange rate determination.

3.2.2.4. Understand the foreign exchange market, its functions, participants, transactions, size and instruments.

3.2.2.5. To understand and study the different foreign currency derivatives used on the international monetary market, for hedging purposes and, as speculation tools on a pursuit of a profit, emphasizing on the use of these tools to enhance the companies financial situation.

3.2.3. **METHODOLOGY:**

3.2.3.1. Teachers presentation and lecture.

3.2.3.2. Students reading, discussion

3.2.3.3. Students presentations

3.2.3.4. Workshops.

3.2.4. **BIBLIOGRAPHY:**

3.2.4.1. Multinational Finance, Ch 4, 5, 6 and 7.
3.2.4.2. www.fmi.org
3.2.4.3. Magazines, newspapers.

3.3. CONTENT.

3.3.1. TOPICS:
   3.3.1.1. Transaction, operating and translation exposures.
   3.3.1.2. Global Availability of Capital.
   3.3.1.3. Cost and Sourcing Equity Globally.

3.3.2. OBJECTIVES:
   3.3.2.1. To analyze and study the different business exposures faced by MNEs.
   3.3.2.2. Identify and understand the sources, availability, and cost of capital in the international currency market.

3.3.3. METHODOLOGY:
   3.3.3.1. Teachers presentation and lecture.
   3.3.3.2. Students reading, discussion
   3.3.3.3. Workshops.

3.3.4. BIBLIOGRAPHY:

   Multinational Finance, Ch 8, 9, 10, 11, and 12

3.4. CONTENT.

3.4.1. TOPICS:
   3.4.1.1. Foreign Direct Investment Theory and Strategy.
   3.4.1.2. Cross Border Mergers, Acquisitions, and Valuation.

3.4.2. OBJECTIVES:
   3.4.2.1. Study and analyze the opportunities for the reduction of financial cost to companies capable of accessing the international monetary markets.
3.4.2.2. Explain why the international monetary market offers MNEs enterprises the opportunity to get more investors, and the new requirements that it implies to the companies’ way of reporting and its performance.

3.4.2.3. Study the processes that are been used on today’s MNE environment to acquire companies, (Selling and buying) and the valuations techniques for price determination.

3.4.3. METHODOLOGY:

3.4.3.1. Students reading, discussion and preparation.

3.4.3.2. Workshop

3.4.4. BIBLIOGRAPHY:

Multinational Finance, Ch 16 and 19.

4. EVALUACIÓN

4.1. First partial test: 20%

4.2. Second partial test: 20%

4.3. Final Exam: 30%

4.4. Follow Up Activities: 30%.

5. BIBLIOGRAFÍA GENERAL


International Monetary Fund. [Homepage] [on line], Available on www.imf.org

European Union [Homepage] [on line], Available on www.eu.org

World Bank Organization [Homepage] [on line] Available on www.wb.org

Newsweek Magazine.