

Minnesota State University Moorhead

FINC 445: International Financial Management

A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: 0

OJT Hours/Week: *.*

Prerequisites:

This course requires the following prerequisite

FINC 340 - Financial Management

Corequisites: None

MnTC Goals: None

International Financial Management is the sub-area of finance that studies the international investment decisions concerning real and financial assets. This course is intended for students who wish to learn the concepts and theories of modern multinational financial management. International Financial Management gives participants a solid theoretical and practical background that serves to better understand 1) the determinants of currency exchange rates, 2) the importance of risk management in a Multinational Corporation (MNC), and 3) the particularities of corporate finance and corporate governance in a global context.

B. COURSE EFFECTIVE DATES: 06/01/1995 - Present

C. OUTLINE OF MAJOR CONTENT AREAS

1. Value maximization and international finance
2. Globalization, International Monetary Systems and Foreign Exchange (FX) Regimes
3. The Market for Foreign Exchange
4. International Parity Conditions and Forecasting FX rates.
5. Currency Forward, Futures, and Options Contracts
6. Rationale for Currency Risk Management
7. Managing Transaction Exposure to Currency Risk
8. Managing Economic Exposure to Currency Risk
9. Foreign Market Entry and Country Risk Management
10. Multinational Capital Budgeting
11. Multinational Capital Structure

D. LEARNING OUTCOMES (General)

1. Enumerate the benefits and risks associated to the international operations of the firm.
2. Recognize the challenges the firm faces globally.
3. Recognize how to deal with currency exchanges.
4. Determine the relative value of a currency and identify arbitrage opportunities that keep FX rates in equilibrium.
5. Explain how to use forwards, futures, and options contracts to transfer currency risk.
6. Identify the conditions under which risk management adds value to shareholders.
7. Measure currency risk associated with non-monetary assets and manage this risk.
8. Identify country risk determinants and strategies that deal with this risk.
9. Estimate the value of projects with foreign currency cash flows.
10. List the strategies to finance a project using funds in different currencies.
11. Apply hedging strategies to manage the FX risk associated to monetary assets and liabilities.

E. Minnesota Transfer Curriculum Goal Area(s) and Competencies

None

F. LEARNER OUTCOMES ASSESSMENT

As noted on course syllabus

G. SPECIAL INFORMATION

None noted