IB394-12 International Financial Management

20/21

Department
Warwick Business School
Level
Undergraduate Level 3
Module leader
Arie Gozluklu
Credit value
12
Module duration
10 weeks
Assessment
Multiple
Study location
University of Warwick main campus, Coventry

Description

Introductory description

N/A

Module web page

Module aims

To extend students' knowledge and understanding of the theory of corporate financial management to include firms that operate in an international context.
To develop students' critical reasoning skills in the context of international financial risk management.
To equip students with the practical skills required of financial managers in international companies.

Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

History and background of the development of the international monetary system.
The market for foreign exchange.
International parity relations and forecasting exchange rates.
International money, equity and bond markets.
Currency forwards and futures markets, swap markets and options markets.
Managing economic, transaction and translation exposure.
International portfolio investment.
Foreign direct investment.
International capital budgeting.
International taxation.

Learning outcomes

By the end of the module, students should be able to:

- Be able to describe the structure and role of the foreign-exchange spot and forward markets, and of the currency futures and options markets.
- Be able to explain the parity relations underlying international finance.
- Be able to discuss the different ways in which companies with international operations can raise additional finance.
- Be able to critically assess the business and financial risks faced by companies with international operations. Be able to describe the issues involved in international taxation.
- A systematic understanding of foreign exchange markets and how the foreign exchange risk is managed.
- Application of relevant knowledge to a range of situations in an international valuation and investment context.

Indicative reading list

Shapiro A.C. Multinational Financial Management (7th edition) Wiley 2003.
Eun C.S. and Resnick B.G. International Financial Management (3rd edition) McGraw-Hill 2004.
Eiteman, D.K., Stonehill A.I. and Moffett M.H. Multinational Business Finance (10th edition) Pearson Addison Wesley 2004.
Buckley A. Multinational Finance (5th edition) FT Prentice Hall 2004.
Sercu, P. and Uppal, R. International Financial Markets and the Firm, South Western 1995.

Subject specific skills

Be able to propose strategies that enable companies with international operations to mitigate their business and financial risks.
Be able to appraise international capital projects.
Be able to value the target company in an international merger or acquisition.
Be able to communicate the results of their analysis of case-studies involving firms whose businesses involve the import / export of goods and/or services, and/or direct foreign investment, in a volatile international economic environment.

Transferable skills

Be able to critically assess corporate financial decision-making within the context of international business, volatile exchange rates and global financial markets.

Study

Study time

Type	Required
Lectures	10 sessions of 2 hours (17%)
Seminars	9 sessions of 1 hour (8%)
Private study	36 hours (30%)
Assessment	55 hours (46%)
Total	120 hours

Private study description

Private Study.

Costs

No further costs have been identified for this module.

Assessment

You do not need to pass all assessment components to pass the module.

Assessment group D2

	Weighting	Study time
Participation	10%	9 hours
Participation in activities on a weekly basis via my.wbs		
Online Examination	90%	46 hours
Exam		
~Platforms - AEP		

- Students may use a calculator

Assessment group R

	Weighting	Study time
Online Examination	100%	
Exam		

- Answerbook Pink (12 page)
- Students may use a calculator

Feedback on assessment

Feedback via My.WBS.

Past exam papers for IB394

Availability

Courses

This module is Optional for:

- UIBA-MN34 Law and Business Four Year (Qualifying Degree)
  - Year 3 of MN34 Law and Business Studies Four Year (Qualifying Degree)
  - Year 4 of MN34 Law and Business Studies Four Year (Qualifying Degree)
- Year 3 of UIBA-N211 Undergraduate Information Systems Management and Innovation
- Year 4 of UIBA-N214 Undergraduate Information Systems Management and Innovation (with Intercalated Year)
- Year 4 of UIBA-N140 Undergraduate International Business
- Year 4 of UIBA-N1R1 Undergraduate International Business with French
- Year 4 of UIBA-N1R2 Undergraduate International Business with German
- Year 4 of UIBA-N1R3 Undergraduate International Business with Italian
- Year 4 of UIBA-N1R4 Undergraduate International Business with Spanish
- Year 3 of UIBA-MN31 Undergraduate Law and Business Studies
- UIBA-MN32 Undergraduate Law and Business Studies
  - Year 3 of MN32 Law and Business Studies (Four-Year)
  - Year 4 of MN32 Law and Business Studies (Four-Year)
- UIBA-MN37 Undergraduate Law and Business Studies (Qualifying Degree) with Intercalated Year
  - Year 4 of MN37 Law and Business Studies (Qualifying Degree) with Intercalated Year
  - Year 5 of MN37 Law and Business Studies (Qualifying Degree) with Intercalated Year
- UIBA-MN35 Undergraduate Law and Business Studies with Intercalated Year (3+1)
  - Year 3 of MN35 Law and Business Studies with Intercalated Year (3+1)

    - Year 4 of MN35 Law and Business Studies with Intercalated Year (3+1)
- UIBA-MN36 Undergraduate Law and Business Studies with Intercalated Year (4+1)
    - Year 4 of MN36 Law and Business Studies with Intercalated Year (4+1)
    - Year 5 of MN36 Law and Business Studies with Intercalated Year (4+1)

This module is Option list A for:

- UIBA-N203 BSc in International Management
    - Year 4 of N203 International Management
    - Year 4 of N203 International Management
- UIBA-N201 BSc in Management
    - Year 3 of N201 Management
    - Year 3 of N230 Management with Finance
- UIBA-N202 BSc in Management (with Intercalated Year/UPP)
    - Year 4 of N202 Management (with Intercalated Year)
    - Year 4 of N231 Management with Finance (with Intercalated Year)
- Year 3 of UIBA-NN35 Undergraduate Accounting and Finance
- UIBA-NN36 Undergraduate Accounting and Finance (with Intercalated Year/Undergraduate Partnership Programme)
    - Year 4 of NN36 Accounting and Finance (Intercalated)
    - Year 4 of NN37 Accounting and Finance (Undergraduate Partnership Programme)

This module is Option list B for:

- Year 3 of UIBA-N201 BSc in Management
- Year 4 of UIBA-N202 BSc in Management (with Intercalated Year/UPP)