

POSTGRADUATE Syllabus	EXECUTIVE PROGRAMME IN INTERNATIONAL FINANCE
Course	INTERNATIONAL CORPORATE FINANCE
Course credit (ECTS):	3 ETCS 22,5 class hours (15 sessions) 52,5 hours of other academic activities
Instructor:	Prof. Duca, Eric
Semester	2nd term
Office hours:	After class or by appointment
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1.- COURSE DESCRIPTION, AIMS AND OBJECTIVES:

In a global environment in which products, services and capital markets around the world are becoming more integrated, a solid understanding of international finance implications has become essential for multinational corporations' decision making.

This course covers financial management at multinational corporations (MNCs), companies that operate businesses in international environments and markets, and that use international financial markets. Foreign business operations and international financial markets provide MNCs management with new opportunities but new threats and constraints. Corporate goal at MNCs continues being to maximize the value of the firm, but MNCs financial management requires additional analysis and techniques to manage new business opportunities and risks related to the global business.

Course topics will include:

1. Understanding financial management in international business
2. International accounting, disclosure and financial analysis
3. Foreign exchange risk: assessment, measurement and management of FX exposure
4. International investment decisions: capital budget, greenfield investment, cross-border M&A
5. International financing decisions: MNCs capital structure, MNCs WACC, subsidiary funding
6. International cash management: TSC, cash pooling, international netting, global banking
7. Management control and reporting at MNCs
8. International transfer pricing policy and tax exposure

2.- FORM OF GRADING/EVALUATION:

Class Participation and cases resolution	20%
Group presentations	20%
Final Examination (Ordinary and Extraordinary)	60%
Restrictions	To calculate the weighted average for the final grade, both for regular and re-sit examination, a student must obtain at least a 5 (out of 10) on the final examination. A student with an overall grade of less than 5 in the final exam will be considered to have failed.

COURSE SCHEDULE
INTERNATIONAL CORPORATE FINANCE

Session No.	Topic. Details of teaching content	Teaching resources employed
1	Introduction to International Financial Management <ul style="list-style-type: none"> - International business - Financial decisions at MNCs environments - Financial management: domestic vs international 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapters 1 and 2 Serial case presentation
2	International accounting and analysis I <ul style="list-style-type: none"> - Subsidiary local legal reporting - Subsidiary conversion, translation and consolidation - FX implications review 	International Accounting (Doupnik and Perera) Chapters 1, 2, 3, 4, 5, and 6
3	International accounting and analysis II <ul style="list-style-type: none"> - Disclosure at MNCs - International financial analysis 	Case: international financial analysis
4	International accounting and analysis III <ul style="list-style-type: none"> - Financial statements restatement 	Case: financial statements restatement
5	FX management introduction <ul style="list-style-type: none"> - FX markets, factors and rate determination - Introduction to FX exposures: <i>transactional exposure</i>, <i>economic exposure</i> and <i>translation exposure</i> - Introduction to hedging strategies 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapters 6, 7, and 8
6	Transactional exposure I <ul style="list-style-type: none"> - Foreign Exchange Forecasting - FX exposure assessment 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapter 9 Case: FX exposure assessment
7	Transactional exposure II <ul style="list-style-type: none"> - Measuring and managing <i>transactional exposure</i> - FX hedging strategies: analysis and comparison 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapter 10 Case: transactional exposure
8	Economic exposure <ul style="list-style-type: none"> - Measuring and managing short-term and long-term <i>economic exposure</i> - FX hedging strategies - Restructuring hedging strategies 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapter 12 Case: repeated receivables Case: economic exposure
9	Translation exposure <ul style="list-style-type: none"> - Translation methods for group consolidation - Translation for local legal reporting - Measuring and managing <i>translation exposure</i> - Hedging strategies 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapter 11 Case: translation exposure

10	Investing decisions at MNCs <ul style="list-style-type: none"> - International capital budgeting - Greenfield foreign investment - Cross-border M&A 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapters 16, 17 and 18 Case: foreign direct investment vs international acquisition
11	Financing decisions at MNCs <ul style="list-style-type: none"> - Capital structure at MNCs - Cost of capital at MNCs - Subsidiaries funding 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapters 13, 14 and 15
12	International working capital and cash management <ul style="list-style-type: none"> - TSC - International cash pooling - International netting - Global banking 	Multinational Business Finance (Eiteman, Stonehill and Moffett) Chapter 19
13	Management information and business control at MNCs <ul style="list-style-type: none"> - Managerial accounting at MNCs - Planning - Reporting 	Cost Accounting. A Managerial Emphasis (Horngren, Datar and Rajan) Chapters 22 and 23
14	Tax management at MNCs <ul style="list-style-type: none"> - International transfer pricing policies - International transfer pricing and tax exposure 	Cost Accounting. A Managerial Emphasis (Horngren, Datar and Rajan) Chapters 22 and 23
15	Closing session <ul style="list-style-type: none"> - Module recapitulation - Additional exercises 	

INFORMACIÓN ADICIONAL

Basic / Required Reading	Multinational Business Finance Publisher: Pearson Education Limited Authors: David K. Eiteman, Arthur I. Stonehill and Michael H. Moffett Edition: global edition 2015 or any other edition is also valid
Recommended Readings	International Financial Management Publisher: South-Western, Cengage Learning Author: Jeff Madura International Financial Management Publisher: McGraw-Hill Education Authors: Cheol S. Eun and Bruce G. Resnick International Accounting Publisher: McGraw-Hill Education

Authors: Timothy S. Douplik and Hector B. Perera

Cost Accounting. A Managerial Emphasis

Publisher: Prentice Hall (Pearson)

Authors: Charles T. Horngren, Srikant M. Datar and Madhav V. Rajan

Complementary Activities	Business cases and practical problems will be solved by participants during class sessions and as assignments between sessions.
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COMPETENCIAS:

BÁSICAS Y GENERALES	<p>CB6- Poseer y comprender conocimientos que aporten una base u oportunidad de ser originales en el desarrollo y/o aplicación de ideas, a menudo en un contexto de investigación.</p> <p>CB7- Que los estudiantes sepan aplicar los conocimientos adquiridos y su capacidad de resolución de problemas en entornos nuevos o poco conocidos dentro de contextos más amplios (o multidisciplinares) relacionados con su área de estudio.</p> <p>CB8- Que los estudiantes sean capaces de integrar conocimientos y enfrentarse a la complejidad de formular juicios a partir de una información que, siendo incompleta o limitada, incluya reflexiones sobre las responsabilidades sociales y éticas vinculadas a la aplicación de sus conocimientos y juicios.</p> <p>CB9- Que los estudiantes sepan comunicar sus conclusiones y los conocimientos y razones últimas que las sustentan a públicos especializados de un modo claro y sin ambigüedades.</p> <p>CG1- Capacidad para resolver problemas en entornos nuevos o poco conocidos</p> <p>CG2- Capacidad de análisis, síntesis y de formulación de juicios a partir de la información disponible.</p> <p>GG3- Capacidad de organización, planificación y toma de decisiones.</p> <p>CG4- Capacidad de comunicación y trabajo en equipo.</p>
TRANSVERSALES	<p>CT1- Capacidad de búsqueda de información e investigación y de aprendizaje continuo</p> <p>CT2- Capacidad para trabajar en entornos de presión.</p> <p>CT3- Capacidad para aplicar los conocimientos a la práctica.</p> <p>CT4- Usar tecnologías de la información y las telecomunicaciones.</p> <p>CT5- Capacidad para ejercer el liderazgo y mantener un espíritu emprendedor.</p>
ESPECÍFICAS	<p>CE9 Comprender y entender el funcionamiento de las operaciones de financiación de proyectos y actividades desde la perspectiva de las actividades empresariales internacionales. (Competencia específica de la especialidad de finanzas Internacionales).</p>