

## **COURSE SPECIFICATION DOCUMENT**

<b>Academic School / Department:</b>	Richmond Business School
<b>Programme:</b>	Masters of Business Administration
<b>FHEQ Level:</b>	7
<b>Course Title:</b>	International Financial Management
<b>Course Code:</b>	FNN 7400
<b>Course Leader:</b>	Salvatore d'Orsa
<b>Student Engagement Hours:</b>	200 (standard 4 credit MA course)
Lectures:	39
Seminar / Tutorials:	6
Independent / Guided Learning:	155
<b>Semester:</b>	Fall
<b>Credits:</b>	20 UK CATS credits 10 ECTS credits 4 US credits

### **Course Description:**

This course is designed to build on the foundations developed in Financial Management and apply the tools and techniques of financial analysis to international transactions. While the use of various hedging tools for managing forex risk are considered, management of international portfolios and international capital budgeting are also examined.

### **Prerequisites:**

FNN 7102

### **Aims and Objectives:**

- Understand the importance of exchange rates in international finance
- Demonstrate knowledge of the key types of forex and why they might need to be hedged
- Explain qualitatively and quantitatively how to hedge forex risk using a variety of tools

- Exhibit a clear understanding of the tools and techniques required for international portfolio management
- Be able to undertake an international capital budgeting exercise

**Programme Outcomes:**

A1, A2, A5

B1, B2, B3, B4

C3, C4

D1, D2, D3, D4

A detailed list of the programme outcomes are found in the Programme Specification.

This is located at the archive maintained by the Registry and found at:

<https://www.richmond.ac.uk/programme-and-course-specifications/>

**Learning Outcomes:**

By the end of this course, successful students should be able to:

**Knowledge and Understanding**

- Understand the role of forex risk management within the broader context of the Finance function
- Understand in detail how forex hedging decisions are made, both from a theoretical and practical perspective
- Be able to analyse, plan and make international financial decisions in given sets of financial circumstances

**Cognitive skills**

- Apply appropriate quantitative skills, to a range of forex risk, international portfolio and capital budgeting scenarios, for measurement, management and interpretation purposes

**Subject specific, practical and professional skills**

- Apply financial and other analytical concepts to be able to assess forex risk
- Forecast cashflows and cost of capital in an international arena to make corporate financial decisions

**General/transferable skills**

- Develop analytical skills necessary to communicate findings effectively to others

**Indicative Content:**

- The determination of exchange rates: short-run and long-run
- Forex risk: the three main forms
- Hedging forex risk
- International portfolio management
- International WACC

- The international capital budgeting process, including FDI

**Assessment:**

This course conforms to the Richmond University Standard Level 7 Assessment Norms approved at Academic Board and located at: <https://www.richmond.ac.uk/policies/>

**Teaching Methodology:**

The course will emphasize problem-solving, the application of theory to real world practice and teamwork. Problem-solving and the application of theory to practice will be the addressed through extensive use of case studies which require analysis and problem solving. Teamwork will be emphasized through in-class case discussion and group assignment(s).

**Bibliography:**

See syllabus for complete reading list

**Indicative Text(s):**

**Required Texts:**

- Shapiro, A. C., Moles, P. (2014) International Financial Management, Glasgow: John Wiley.

**Further Reading:**

- Baekert, G, Hodrick, R. (2017) International Financial Management, 3<sup>rd</sup> edition, Cambridge: CUP.
- Madura, F., Fox, R. (2017) International Financial Management, Boston: Cengage.
- Pilbeam, K. (2013) International Finance, 4<sup>th</sup> edition, London: Palgrave Macmillan

**Journals:**

- The Journal of Finance
- Journal of Financial Economics
- Journal of international Money and Finance
- International Finance
- Journal of Corporate Finance
- Journal of Applied Corporate Finance
- Quarterly Journal of Finance and Accounting

**Web Sites**

The Financial Times ([www.ft.com](http://www.ft.com))

The Economist ([www.economist.com](http://www.economist.com))

The Wall Street Journal ([wsj.com](http://wsj.com))

Briefing Notes in Economics ([www.richmond.ac.uk/bne](http://www.richmond.ac.uk/bne))

The International Monetary Fund (IMF) ([www.imf.org](http://www.imf.org))

The Organisation for Economic Co-operation and Development (OECD) ([www.oecd.org](http://www.oecd.org))

The World Bank ([www.worldbank.org](http://www.worldbank.org))

The Bank for International Settlements (BIS) ([www.bis.org](http://www.bis.org))

