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Syllabus for the Global Business Leadership programme		
Study module name:	International Corporate Finance	
Study module code:	GBL_ICF 2	
Lecturer:	Dr. Jonathan M. Hochberg	
Aim of the MBA study module:		
<p>This MBA course focuses on corporate financial management issues faced by managers operating in the global financial markets. Foreign operations and international financing possibilities entail additional opportunities, risks, and complexities that must be understood by both financial and strategic managers. The purpose of this course is to analyze the critical factors, risks, and decisions that relate to both the short-term and long-term financial position of the firm in a global setting and discussing strategies for dealing with these added complexities.</p>		
Content of the MBA study module:		
<p>Student Learning Objectives/Outcomes:</p> <ul style="list-style-type: none">• Learn the evolution of the financial context of international business, including the development of foreign exchange markets.• Gain knowledge of the exposures and risks faced by a firm doing business in multiple currency Environments.• Learn how to hedge or mitigate those risks.• Learn about funding options for international operations and how foreign investment decisions are made.• Learn the ways in which international ventures create additional financial management demands on the firm.		
Chapter 1: The International Monetary System		
<p>Learn the history of the International Monetary System, understand how the gold standard was created and abandoned, Learn about the role of Bretton Woods and the creation of the IMF and World Bank, Learn how currencies are fixed or float, and learn about currency markets and crises.</p>		
Chapter 2: Foreign Exchange (FX) Markets		
<p>Learn the what and how of FX Rate Determination, Understand what makes up the FX Markets, Learn about Purchasing Power Parity (PPP) and the Fisher Effect, Understand how currencies are valued against each other and the tool of the Economist's Burgernomics, Lean about spot/cash rates, forward quotations, direct/indirect quotes, points, and about forward exchange contracts and options.</p>		
Chapter 3: FX Exposure and Management		
<p>Learn how to hedge multi-currency transaction exposures. (Shipping products to Poland and then converting profits----ie., zlotys-to-euros without the risk of a currency translation loss), Learn the pros and cons of a forward market hedge, an options market hedge, and a money market hedge, Learn ways to remedy operating exposure in the short-run, medium-run and the long-run, Learn about the use of a risk sharing clauses between seller and buyer of international products/services, and learn how multinational corporations (MNCs) use reinvoiceing centers as a strategy to lower hedging costs and mitigate FX exposure.</p>		
Chapter 4: Financing the Global Firm		
<p>Understand the importance of and how to calculate the weighted average cost of capital (WAAC); and how to lower the cost of capital by accessing international debt and equity markets, Learn why overcoming market segmentation provides for a greater pool in which to access capital in the international markets, Learn how to diversify risk (beta) and about investors' expected returns using</p>		



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the capital asset pricing model (CAPM). Use the Nestles Corporation to illustrate the CAPM of both domestic and international investors' expectations, Learn the benefits of cross-listing shares on international stock exchanges, and learn the benefits of borrowing in the international capital markets.

Chapter 5: International Investment Decisions

Learn about how Foreign Direct Investment (FDI) in international projects has inherent financial and Political Risks, Learn about Multinational Capital Budgeting using NPV and the hurdle rate, Understand the complexity of analyzing the variety of risks in an international project setting, and learn about project financing and how to adjust for risks associated with foreign ventures.

Chapter 6: Managing Global Financial Crises and Thesis

Understand the complexities of a macroeconomic downturn in a region of the world, Learn how a global firm adapts and develops strategies to an economic crisis, Learn strategies for dealing with a liquidity crunch in global financial operations, and learn how financial decisions impact stakeholders and shareholders of a global firm. Student will write a thesis (topic approved by Lecturer) ca 12.000-20.000 characters (including spaces) elaborated in MS Word.

Mandatory literature:

Online study materials prepared by the lecturer.

Recommended literature and other sources:

Multinational Business Finance, 13th Edition, by David K. Eiteman, Arthur I. Stonehill, and Michael H. Moffett

The Far East Trading Company Case Study, Micheal Moffet, pub by Thunderbird International Business

Business Review