

Course Competency

FIN 2051 INTERNATIONAL FINANCIAL MANAGEMENT

Course Description

The basic concepts and principles of international finance, with consideration of the financial environment, transactions, and flows. Exchange rates, risks, and government policies affecting business are analyzed as well as management policies and decisions. (3 hr. lecture)

Course Competency	Learning Outcomes
<p>Competency 1: The student will be able to demonstrate knowledge of the environment of international financial management by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Cultural / Global Perspective 4. Ethical Issues
<ol style="list-style-type: none"> 1. Describing the theory and practice of international financial management. 2. Explaining the Asset Market Model of exchange rates and identifying the basic factors affecting exchange rates in a floating rate system. 3. Discussing the International Monetary System and the European Monetary System and Monetary Union. 4. Explaining the purchasing power parity, the interest rate parity theory, and the relationship between the forward rate and the future spot rate. 5. Explaining the linkage of the balance of payments to the international economy. 6. Discussing the economic and political factors underlying country risk. 	
<p>Competency 2: The student will be able to demonstrate knowledge of foreign exchange and derivatives markets by:</p>	
<ol style="list-style-type: none"> 1. Defining the spot market, forward market, future contracts and currency options. 2. Explaining interest rate and currency 	

<p>swaps and interest rate forwards and futures.</p> <ol style="list-style-type: none"> 3. Explaining hedging, alternatives measures of foreign exchange exposure and alternative methods of currency translation. 4. Calculating economic exposure. 	
<p>Competency 3: The student will be able to demonstrate knowledge of financing the multinational corporation by:</p>	
<ol style="list-style-type: none"> 1. Describing the links between national and international money and capital markets. 2. Discussing the Eurocurrency market, Eurobonds, Euro-commercial paper and the markets, why they exist and how they are priced. 3. Identifying the short, medium and long term financing options available to multinational corporations and explaining the advantages and disadvantages of each. 	
<p>Competency 4: The student will be able to demonstrate knowledge of foreign investment and working capital by:</p>	
<ol style="list-style-type: none"> 1. Discussing the theory and strategies of the multinational corporation. 2. Explaining capital budgeting and issues in foreign investment analysis. 3. Discussing foreign trade, in terms of payments, documents and financing techniques. 4. Discussing the management of cash, accounts receivable and inventory. 5. Explaining the key factors in short-term financing and the options available. 	
<p>Competency 5: The student will be able to demonstrate knowledge of the management of foreign exchange risk by:</p>	
<ol style="list-style-type: none"> 1. Calculating a company's accounting exposure. 2. Explaining the difference between 	

translation and transaction exposure.

3. Discussing the functioning and uses of forward market and money market hedges.
4. Analyzing the economic impact on a firm changes in exchange rates.

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