

# American College Dublin

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## IB401 INTERNATIONAL FINANCE

<b>Credits:</b>	6
<b>Credit level:</b>	Stage award
<b>Prerequisites:</b>	IB202, IB207, IB303
<b>Mandatory:</b>	Yes
<b>Contact hours:</b>	40
<b>Academic Year:</b>	2020 - 2021
<b>Semester:</b>	1
<b>Lecturer:</b>	Mícheál Ó Raghallaigh
<b>Email:</b>	<a href="mailto:moraghallaigh@iamu.edu">moraghallaigh@iamu.edu</a>
<b>Intranet Key:</b>	IB401ACD

### MODULE DESCRIPTION

Study of related aspects of the international monetary system, foreign exchange markets and international banking. Various financial operations of the multinational firm including sources of funds, foreign investment decisions and international transactions and taxation are included.

### MODULE LEARNING OUTCOMES

At the end of this course students will have:

1. Developed a comprehension of the kind of knowledge pertaining to international finance.
2. Acquired a working understanding of the different theories, concepts and methods of finance pertaining to international organisations.
3. The capacity to recognise and develop new skills pertaining to financing and investing options.
4. The ability to select the appropriate skills required to manage economic exposure.
5. To determine the appropriate financial strategy for multinational firm.
6. Interpreted and implemented complex management options for exposure to foreign markets.

### TEACHING METHODS

Lectures, tutorials and group discussions based on current articles from the business press, case studies, videos, etc.

## LEARNING OUTCOMES MAP

Learning Outcomes	Content	Delivery	Assessment
1.	All sections	Lectures, readings, class exercises and discussions.	Class exercises, assignments, exam and participation.
2.	Sections 2 - 4	Lectures, class exercises and discussions.	Class exercises, assignments and participation.
3.	Sections 5, 7, 9, 11	Lectures, readings, class exercises and discussions.	Class exercises, assignments, exam and participation.
4.	Sections 5, 11	Lectures, readings, class exercises and discussions.	Class exercises, exam assignments, and participation.
5.	Sections 2	Lectures, readings and class exercises.	Class exercises, exam and assignments.
6.	Sections 4, 7 - 10	Lectures, readings, class exercises and discussions.	Class exercises, assignments and exam.

## MODULE OUTLINE

### **1. Introduction to Multinational Financial Management**

Chapter 1, Shapiro, *Multinational Financial Management*

### **2. Corporate Strategy and Foreign Direct Investment**

Chapter 16, Shapiro, *Multinational Financial Management*

### **3. The Determination of Exchange Rates**

Chapter 2, Shapiro, *Multinational Financial Management*

### **4. The Foreign Exchange Market**

Chapter 7, Shapiro, *Multinational Financial Management*

### **5. Currency Futures and Options Markets**

Chapter 8, Shapiro, *Multinational Financial Management*

### **6. Political Risk**

Chapter 6, Shapiro, *Multinational Financial Management*

### **7. Measuring and Managing Foreign Currency Exposure**

Chapter 10 & 11, Shapiro, *Multinational Financial Management*

### **8. Managing the Multinational Financial System**

Chapter 20, Shapiro, *Multinational Financial Management*

### **9. Capital Budgeting for the Multinational Corporation**

Chapter 17, Shapiro, *Multinational Financial Management*

## **10. International Financing and International Financial Markets**

Chapter 12 & 13, Shapiro, *Multinational Financial Management*

*NB: the BBC dvd series “The love of money” is highly relevant here.*

## **11. Swaps and Interest Rate Derivatives**

Chapter 9, Shapiro, *Multinational Financial Management*

### **READING**

#### **Text**

Shapiro, Alan C. (2019) **Multinational Financial Management**, 11<sup>th</sup> Edition, Wiley.

**Required Viewing ; “The Love of Money” [BBC 2009], also presentations by Peter Schiff 2005 to date [see Youtube]. Also “Inside Job” movie documentary.**

#### **Supplementary Reading**

Ball, D.A., McCulloch, W.H., Jr., Geringer, M. & Minor, M.S. (2012) International Business, The Challenge of Global Competition, 12<sup>th</sup> edition, Irwin McGraw-Hill, Boston.

#### **Newspapers & Publications**

Business & Finance	Fortune
Business Week	Irish Independent
The Economist	Irish Times
Finance Magazine	Sunday Business Post
Financial Times	Wall Street Journal

#### **Internet websites**

<http://www.unison.ie/irishindependent/>

<http://www.ireland.com/newspaper/>

<http://www.actualidad.com/> (index of world newspapers)

<http://www.sbpost.ie>

<http://www.economist.com/>

<http://www.ft.com/>

<http://www.guardian.co.uk/>

<http://www.ida.ie/>

<http://www.nybot.com/>

<http://www.finance-magazine.com>

## **MODULE REQUIREMENTS**

### **Assessment**

Student's progress will be assessed by one group assignment (**due by Wednesday 11<sup>th</sup> November 2020**) and an exam. Any late assignments will be subject to losing 1% of the *overall grade per day*.

Assessment will take the form of:

<b>Group assignment</b>	<b>30%</b>
<b>Final exam</b>	<b><u>70%</u></b>
	<b>100%</b>

### **Exam:**

The exam paper is of 2 hour's duration and will consist of five questions (all carrying equal marks) of which three must be answered.

### **Grading**

Each component of the course will be assessed separately. Students will be graded according to the attached grading system as outlined in the HETAC Marks and Standards 2009, available at:

[http://www.hetac.ie/docs/Assessment\\_and\\_Standards\\_2009.pdf](http://www.hetac.ie/docs/Assessment_and_Standards_2009.pdf) (page 23).

## **ATTENDANCE AND PUNCTUALITY**

Full attendance is crucial and is monitored. It is the student's responsibility to call the College office to notify the lecturer of an illness. See Academic Policies and Procedures in the ACD Catalogue. Late arrivers may be refused admission to class.

## **ACADEMIC DISCIPLINE**

Refer to the subsection on Academic Discipline in the current ACD Catalogue.