

# Irish American University

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## **MBA506 INTERNATIONAL FINANCE / MBA571 INTERNATIONAL FINANCE & RISK IN THE ENERGY INDUSTRY/ MIB503 INTERNATIONAL CORPORATE FINANCE**

<b>Credits:</b>	6
<b>Prerequisites:</b>	Finance module at Level 8 or equivalent
<b>Mandatory:</b>	Yes
<b>Academic Year:</b>	2020 - 2021
<b>Semester:</b>	2 (18 <sup>th</sup> January 2021 - 7 <sup>th</sup> May 2021)
<b>Lecturer:</b>	Mícheál Ó Raghallaigh
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<b>Intranet Key:</b>	MIB503ACD

### **MODULE DESCRIPTION**

This course focuses on International Corporate Finance in the context of a globalised and integrated world economy. A comprehensive examination of International Financial and Capital markets will equip the student with the knowledge and tools necessary for the Multinational Enterprise (MNE) in order to make effective financial management decisions that maximise shareholder value.

### **LEARNING OUTCOMES**

On successful completion of the module the student will have attained the following learning outcomes:

1. A critical awareness of the contemporary concepts in Multinational Corporate Finance in the context of a rapidly evolving global market.
2. Develop the skills to analyse the different types of risk to which the MNE is exposed and to select the appropriate instruments to effectively manage these risks.
3. Master skills for assessing short and long-term financing considerations for the multinational corporation.
4. Apply advanced analytical techniques, models and theories to develop global financial strategies for the multinational corporation.
5. Organising and managing oneself and groups to lead and initiate activity;
6. Learn to self-evaluate and take responsibility for continuing academic/professional development throughout the course of the module.

### **TEACHING & LEARNING METHODOLOGY**

Teaching will comprise weekly lectures on key theories, followed by robust discussion and participation in respect of pertinent case studies and relevant current articles in the business press. This will be supplemented by guest speakers and multimedia.

Learning will comprise of weekly reading of pertinent chapters, articles and case studies prior to lectures, active class participation, group case study presentation, and assignments.

## MODULE REQUIREMENTS

Learning Outcomes	Content	Delivery	Assessment
1.	Sections 1-5	Lectures, readings, cases, presentations, guest lecturers.	Case presentation, assignment, exam and participation.
2.	Sections 2	Lectures, discussion of readings and cases, assignments and feedback from these.	Case presentation, participation, exam.
3.	Section 4, 5	Lectures, discussion of readings and cases.	Cases, participation, assignment and exam.
4.	Sections 3-5	Case presentations, assignments and feedback from these.	Cases, participation, exam and assignment.

## MODULE OUTLINE

1. Corporate Finance Abroad
2. Exchange Rate Behaviour
3. Exchange Rate Risk Management
4. Short-Term Asset and Liability Management
5. Long-Term Asset and Liability Management

## WEIGHTING

- 30%
- 15%
- 20%
- 15%
- 20%

## READINGS

### Textbook

Shapiro, A. C. (2019), *Multinational Financial Management*, 11th Edition, Wiley.

### Supplementary readings and media

Madura, J. (2015), *International Corporate Finance*, 12th Edition, Thomson South Western.

Biger, N. and Hull, J. (1983), *The Valuation of Currency Options; Introduction*, *Financial Management*, Tampa: Spring 1983. Vol. 12, Iss. 1; Pp. 24-29; Berg, D.M. and Guisinger, S.E. (2001) "Capital flows, capital controls, and international business risk", in Rugman, A.M. and Brewer, T.L (Eds). *The Oxford Handbook of International Business*, Oxford: Oxford University Press, Pp. 259-281; Bowe, M. and Dean, J.W. (2001) 'International Financial Management and Multinational Enterprises', in Rugman, A.M. and Brewer, T.L (Eds). *The Oxford Handbook of International Business*, Oxford: Oxford University Press, Pp. 558-590; Dunbar, Nicholas. (2000), *Inventing Money: The story of Long-Term Capital Management*, Wiley; Eden, L. (2001), *Taxes, Transfer Pricing and the Multinational Enterprise*, in Rugman, A.M. and Brewer, T.L (Eds). *The Oxford Handbook of International Business*, Oxford: Oxford University Press, Pp. 591-619; Fama, E.F. (1984) 'Forward and Spot Exchange Rates', *Journal of Monetary Economics*, 14, pP. 319-338; Rajan, R. (2006) 'Has Financial Development Made the World Riskier' *European Financial Management* 12: 499. Porzecanski, A.C. *Sovereign Risk: The call for a new measure*, *Emerging Markets Debt Report*, 18/1/1999, Vol. 12, Issue 3; UN, *World Investment Report* 2006.

## **JOURNALS**

Journal of Finance  
American Economic Review  
Journal of International Business  
Journal of Multinational Financial Management

## **ASSESSMENT/GRADING**

The following must be completed satisfactorily by any student undertaking the standard assessment of the course. Important Note: in order to pass this module, students must pass the exam AND pass overall.

### *Assessment will take the form of:*

Assignment	30%
Participation	10%
Final Exam	<u>60%</u>
	<u>100%</u>

**Assignment:** A **group assignment paper of up to 4,000 words** regarding one of the key components of the course will be assigned. **Due date: Thursday, 1<sup>st</sup> April 2021**

**Participation:** Student's participation will be assessed according to their constructive contribution to the case study and reading discussion during the semester. See also below re attendance and punctuality.

**Exam:** The end of semester examination will be three hours long with students asked to answer three questions out of a total of four.

## **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: (page 23).

## **ATTENDANCE**

Class attendance is necessary for the achievement of intended learning outcomes. In the case of illness it is the student's responsibility to telephone the College office to notify the lecturer (see Academic Policies and Procedures in the ACD Catalogue and the QA Manual).

## **ACADEMIC DISCIPLINE**

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