

**COURSE DATA****Data Subject**

<b>Code</b>	35851
<b>Name</b>	International finance
<b>Cycle</b>	Grade
<b>ECTS Credits</b>	6.0
<b>Academic year</b>	2021 - 2022

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. year</b>	<b>Period</b>
1921 - D.D. in Business Management Administration-Law	Doubles Studies Faculty of Law - Faculty of Economics	5	First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
1921 - D.D. in Business Management Administration-Law	6 - Year 5 compulsory subjects	Obligatory

**Coordination**

<b>Name</b>	<b>Department</b>
HERRERO PIQUERAS, MARIA BEGOÑA	172 - Business Finance

**SUMMARY**

It is known that the objective of the company is the adoption of decisions that increase the value of the company for its owners or shareholders.

That is, the decision makers must decide, without taking into account any type of frontiers, where they can obtain financial resources and where to invest them. Although the above statement is valid for any moment, it is true that today it adopts its maximum expression when we find ourselves in a globalized world favored, among other things, by the rapid technological advance.

The process of internationalization implies the acceptance by companies of new risks that must be taken into account by the CFO, such as exchange rate risk, credit risk, country risk, etc. and new financing opportunities such as access to foreign investors.



Throughout the topics that make up the subject we will introduce ourselves in the international financial environment, the foreign exchange market and, fundamentally, the risks derived from the globalization of business activity and the financial instruments for its coverage.

The theoretic classes will be complemented with practical exercises and readings that will contribute to a better learning of the theoretical contents exposed.

## PREVIOUS KNOWLEDGE

### Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

### Other requirements

No prior knowledge is required

## OUTCOMES

### 1313 - Degree in Business Management and Administration

- Demonstrate capacity for analysis and synthesis.
- Demonstrate oral and written communication skills in the native language.
- Be able to analyse and search for information from different sources.
- Be able to solve problems.
- Be able to make decisions.
- Be able to work in a team.
- Have critical and self-critical capacity.
- Manage time effectively.
- Be able to learn autonomously.
- Be able to adapt to new situations.
- Be able to solve financial valuation problems, both for financing decisions and for business investment, in the national and international environment.
- Know the fundamentals that govern financial operations and markets.
- Know the different financing instruments and be able to determine the company's indebtedness policy.
- Know the national and international financial environment and the risks associated.



## LEARNING OUTCOMES

The purpose of the course is to introduce the student to the field of international finance. That is, to analyze the implications of an international environment and to operate with concepts such as: currencies, foreign exchange markets, commercial and financial risks associated with international business, etc. In short, assess and detect the positive and negative effects of the internationalization and know the financial assets available to eliminate or mitigate the negative effects.

## DESCRIPTION OF CONTENTS

### 1. THE INTERNATIONALIZED COMPANY

- 1.1 Globalization and enterprise.
- 1.2 Risks of the international enterprise.
- 1.3 Financial management of the International company

### 2. THE FOREIGN EXCHANGE MARKET

- 2.1 The foreign exchange market. Exchange rate
- 2.2 Theories on exchange rate determination
- 2.3 Types of currency trading

### 3. FINANCIAL RISK MANAGEMENT I

- 3.1 Financial risk
- 3.2 Introduction to derivatives
- 3.3 Organized Markets versus OTC Markets

### 4. FINANCIAL RISK MANAGEMENT II

- 4.1 Exchange rate risk management
  - 4.1.1. Foreign exchange forwards
  - 4.1.2. Currency futures
  - 4.1.3. Currency options
  - 4.1.4. Currency swaps
- 4.2 Interest rate risk management
  - 4.2.1 Interest rate forwards: FRAs
  - 4.2.2. Interest rate futures
  - 4.2.3. Interest rate options: Cap, floor, collar
  - 4.2.4. Interest rate swaps

**5. COMMERCIAL RISK MANAGEMENT**

- 4.1. Means of payment and collection in foreign transactions
- 4.2. Commercial risk management with derivatives
- 4.3. Internacional trade financing: Liquidity risk

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Development of group work	10,00	0
Development of individual work	10,00	0
Study and independent work	20,00	0
Preparing lectures	25,00	0
Preparation of practical classes and problem	25,00	0
<b>TOTAL</b>	<b>150,00</b>	

**TEACHING METHODOLOGY**

The development of the program will be made in theoretical and practical classes. Although both in the theoretical classes and in the practices, the teacher will introduce and develop the concepts with examples, it will be in the practical classes where the student will have to assume a greater presence presenting solutions to the problems raised.

**EVALUATION**

At the end of the course, the student should be able to:

- „ÿ Recognize the complexity and dynamism of the current business environment.
- „ÿ Identify the risk factors inherent to business activity in an international context.
- „ÿ Know and understand the assets available to mitigate (or cancel) the risks of said activity.
- „ÿ Understand the operation of derivative financial assets.
- „ÿ Develop strategies to cover the aforementioned risks through derivative financial assets

To evaluate the knowledge and skills acquired by students, we will use a diversified assessment system. Thus, 60% of the final grade will be obtained through a final test or examination that will consist of theoretical and practical questions.



The remaining 40% will be obtained by continuous evaluation. Five questionnaires / tasks will be carried out throughout the semester with the subject taught up to that moment. The weight of each questionnaire / task will be increasing due to the greater quantity of evaluable matter incorporated. Thus, questionnaire / task 1 will have a weight of 4%; 2 and 3, 8% each; and, the last two, 10% each.

The tests will be carried out when the faculty determines and will not be recoverable. Attendance to class is compulsory, since it will allow observing the participation and involvement of the student and taking tests.

The purpose and nature of these tests of continuous evaluation is to encourage and evaluate the work and the progressive and continuous learning of the student throughout the course, as specified in article 6 point 3 of the Regulation of Evaluation and Qualification of the Universitat de València for degree and master's degrees, which states: "Continuous evaluation is one of the basic criteria of teaching programming, and must be understood as a tool of the teaching-learning process that informs the student about their progress and values it".

In any case, it will be an essential requirement to obtain 4 points out of 10 in the final exam or test so that the grade obtained in the continuous evaluation computes. If the student does not pass the subject on the first call, the mark of the continuous evaluation will be saved for the second call.

In case of copy or plagiarism in the exams and / or works developed by the students, the current regulations will be applied.

## REFERENCES

### Basic

- Duran, J.J. y Gallardo F. (2013): Finanzas internacionales para la empresa. Pirámide. Madrid.
- Eiteman, D., Stonehill, A. y Moffett, M. (2011): Las Finanzas en las empresas multinacionales. Pearson. Mexico.
- Martín, L.L. y Téllez, C. (2014): Finanzas internacionales. Paraninfo. Madrid

### Additional

- González, S. (2000): El Sistema Monetario Internacional y el Mercado de Divisas. Pirámide. Madrid.
- Hernández, L. (2003): Los riesgos y su cobertura en el comercio internacional. FC Editorial.
- López, F.J y García, P (2006): Finanzas en mercados internacionales. MacGrawHill. Madrid
- Martín, J.L. y Trujillo, A. (2004) Manual de Mercados Financieros. Thomson-Paraninfo. Madrid
- Mascareñas, J. (2004): El riesgo de la empresa. Tipología, análisis y valoración. Pirámide. Madrid.
- Mateos, P. y Analistas Financieros Internacionales (2001): Finanzas Internacionales. Ed. Académicas





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Ontiveros, E; Bergés, A; Valero, F, y Manzano, D (1993): Mercados financieros internacionales. Espasa Calpe

Quiroga, C. (2015): Casos de finanzas internacionales. Global Marketing Strategies. Madrid

Serantes, P. (2004): Cobertura de riesgos en las operaciones de exportación. ICEX

----- (2007): Factoring, forfaiting y leasing: instrumentos de financiación para la pyme exportadora. ICEX

## ADDENDUM COVID-19

**This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council**

The teaching of the course 2020-2021 developed in the previous sections of this teaching guide is programmed in person.

This addendum includes the specific adaptations that will be applied as a consequence of the adaptation to a partial (hybrid) or total non-classroom teaching model, for supervening and justified causes. Teachers will communicate more specific and detailed information in the virtual classroom.

### 1. Contents

The contents programmed in the teaching guide are maintained.

### 2. Volume of work and temporary planning of teaching.

The total volume of work is maintained in hours, programmed in the teaching guide.

### 3. Teaching methodology

The teaching methodology will be adapted in a flexible and diversified way, depending on the teaching modalities adopted - face-to-face, synchronous no-face or asynchronous no-face. The teaching resources and technological platforms provided by the Universitat de València will be used, such as videoconferences through tools such as Blackboard collaborate (BBC) or similar (available in virtual classroom), and / or recorded slides, among others. The tutorial attention will be carried out virtually, informing the teachers of the contact channel.

### 4. Evaluation

The evaluation method programmed in the teaching guide is maintained. Thus, the weight of the continuous evaluation will be 40% and the weight of the final exam will be 60% ,both in the first and in the second call.



In any case, it will be an essential requirement to obtain 4 points out of 10 in the final exam or test so that the grade obtained in the continuous evaluation computes. If the student does not pass the subject on the first call, the mark of the continuous evaluation will be saved for the second call

In case of non-contact teaching, the questionnaires and continuous assessment activities will be carried out online.

The final evaluation is designed in classroom mode. If the evaluation cannot be face-to face due to exceptional circumstances, the teacher will specify information about the online test in the virtual classroom.