



COURSE DATA

Data Subject

Code	35851
Name	International finance
Cycle	Grade
ECTS Credits	6.0
Academic year	2023 - 2024

Study (s)

Degree	Center	Acad. year	Period
1313 - Degree in Business Management and Administration	Faculty of Economics	4	First term
1921 - D.D. in Business Management Administration-Law	Doubles Studies Faculty of Law - Faculty of Economics	5	First term

Subject-matter

Degree	Subject-matter	Character
1313 - Degree in Business Management and Administration	50 - Optatividad Jurídico-empresarial	Optional
1921 - D.D. in Business Management Administration-Law	6 - Year 5 compulsory subjects	Obligatory

Coordination

Name	Department
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 learning outcomes are:

- Identify the key aspects and differences in the financial management of a company in an international environment compared to that of a closed economy.
- Know how international financial markets work and carry out operations in the foreign exchange market.
- Identify and differentiate the commercial and financial risks associated with international business. Assess and detect the positive and negative effects of internationalisation processes.
- Know the functioning of the financial instruments available to eliminate or mitigate the negative effects of business internationalisation and establish comparisons between them.
- Define and develop the financial risk management policy of an internationalised company.

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
TOTAL	150,00	

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. In addition, different methodologies will be applied, such as the inverted classroom, explanation by pairs, etc...

EVALUATION

To evaluate the knowledge and skills acquired by students, we will use a diversified assessment system. Thus, 70% of the final grade will be obtained through a final test or examination that will consist of theoretical and practical questions.

The remaining 30% will be obtained by continuous evaluation. It may be instrumented by means of classroom tests, thematic questionnaires, assignments and active participation in class. Continuous assessment is recoverable with the final exam.



Attendance to class is compulsory, since it will allow observing the participation and involvement of the student and taking tests.

In any case, it will be an essential requirement to obtain 5 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

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- Eiteman, D., Stonehill, A. y Moffett, M. (2011): Las Finanzas en las empresas multinacionales. Pearson. Mexico.
- Eun, C.; Resnick, B. y Chuluun, T. (2021): International Financial Management. 9th Edition. Ed. Mc Graw Hill
- 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.
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- 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 SA
- 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



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