

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

Code	35961
Name	International corporate finance
Cycle	Grade
ECTS Credits	4.5
Academic year	2023 - 2024

Study (s)

Degree	Center	Acad. year	Period
1315 - Degree in Finance and Accounting	Faculty of Economics	4	First term

Subject-matter

Degree	Subject-matter	Character
1315 - Degree in Finance and Accounting	23 - Year 4 optional subjects	Optional

Coordination

Name	Department
MEDAL BARTUAL, MARIA AMPARO	172 - Business Finance

SUMMARY

International Corporate Finance is an optional subject of 4,5 ECTS credits, which is offered in the fourth year (first semester) of the Degree in Finance and Accounting.

Previous finance subjects of the degree justify that the company's financial objective is to adopt all those decisions that increase the value of the company for its owners or shareholders. In consequence, financial managers will have to decide where to obtain financial resources and where to invest them, considering the possibility of doing so beyond their borders.

This possibility is already considered by many companies in our national territory and nowadays it adopts its maximum expression in finding ourselves in a globalized world favored, among other things, by the rapid technological advance.

The process of internationalization by companies implies the use of different currencies between countries and the consequent need to exchange them; The acceptance of new risks that must be considered and managed by the financial director of the company, such as exchange rate risk, credit risk, country risk, etc. and new financing opportunities such as access to foreign investors.



For all this, the purpose of this subject is to introduce the student of the degree of Finance and Accounting in the field of international finance. To this end, we present throughout the subjects that make up the subject the basic characteristics of the international financial environment, the functioning of the foreign exchange markets, the risks derived from the globalization of the business activity and the existing instruments for its coverage, as well as the main characteristics of direct foreign investment or the peculiarities of international financing.

The theoretical classes will be complemented with practical exercises and readings that will contribute to a better learning of the theoretical contents exposed. The basic documentation of the subject (program, notebook of assumptions...) and the material used in the theoretical and practical classes will be available for the students through the Virtual Classroom.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

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

Other requirements

The general objective of the subject is to introduce the student in the field of international finances and to know concepts related to the internationalization of business activity, such as: currency, foreign exchange market, international risks, international means of payment, etc.

In short, the student should be able to assess and detect the positive and negative effects of the internationalization process as well as know the different instruments available to eliminate or mitigate the possible risks

OUTCOMES

1315 - Degree in Finance and Accounting

- Conocer el entorno financiero internacional y los riesgos que conlleva.
- Conocer los principales medios de financiación del comercio internacional.
- Conocimiento y capacidad de aplicación de los métodos comúnmente utilizados por los profesionales financieros en el uso de los derivados en la gestión de carteras.
- Capacidad para analizar instrumentos financieros internacionales y medir los riesgos que implican.
- Capacidad para valorar y discriminar entre fuentes financieras del comercio internacional.

LEARNING OUTCOMES

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



- Understand how the currency market works and the formation of the exchange rate.
- Recognise the complexity and dynamism of the current business environment.
- Identify the risk factors inherent in business activity in an international context.
- Know and understand the assets available to mitigate (or annul) the risks of business activity at an international level.
- Understand the operation of derivative financial assets for the coverage of international risks.

DESCRIPTION OF CONTENTS

1. INTERNATIONAL FINANCES

- 1.1. Introduction.
- 1.2. The International Financial System.
- 1.3. The International Monetary System.

2. THE EXCHANGE MARKET

- 2.1 The exchange market. The exchange rate.
- 2.2 Types of operations with currencies.

3. THEORIES ON THE DETERMINATION OF THE EXCHANGE RATE

- 3.1. Theory of purchasing power parity.
- 3.2. Fisher's theory.
- 3.3. Expectations theory.
- 3.4. Theory of interest rates Parity.

4. FOREIGN CURRENCY RISK

- 4.1. Introduction.
- 4.2. Types of foreign currency risk.
- 4.3. Hedging financial instruments for foreign currency risk.
 - 4.3.1. Coverage with internal instruments of the company.
 - 4.3.2. Coverage with external instruments of the company

**5. RISK OF INSOLVENCE AND COUNTRY RISK**

- 5.1. Introduction.
- 5.2. The risk of insolvency or credit.
- 5.3. Country risk

6. FINANCING OF INTERNATIONAL TRADE

- 6.1. Introduction.
- 6.2. International means of payment.
- 6.3. Commercial documents
- 6.4. Private financing of foreign trade.
- 6.5. Public financing of foreign trade.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	15,00	100
Study and independent work	30,00	0
Readings supplementary material	7,50	0
Preparation of evaluation activities	15,00	0
Preparation of practical classes and problem	15,00	0
TOTAL	112,50	

TEACHING METHODOLOGY

Classes will be differentiated between theory and practice classes. For the follow-up of the theory classes the material used by the teacher in the development of the classes will be facilitated to students through the virtual classroom. This material must be completed by students with the recommended bibliography. The development of the practical classes will consist of the accomplishment of the exercises proposed to complete the concepts of the theoretical classes and in further reading.

EVALUATION

In order to evaluate the learning of the subject, a diversified evaluation system will be used, which allows highlighting the knowledge and skills acquired by the students.



On the one hand, there will be an EXAM, that is a unique and compulsory theoretical-practical exam, which will be held on the day, time and place established by the center. This test will account for 80% of the final grade for the subject.

On the other hand, the remaining 20% of the final grade will be based on the student's participation during the development of the course (continuous evaluation). This participation will consist of the delivery of certain exercises and the completion of certain tests proposed by the teacher.

Due to the nature of the tests and their purpose, the evaluation of the continuous work carried out throughout the course by the student will not be recoverable in the first call, but it may be recoverable in the second call.

Specifically, in the first call you can get a maximum of 8 points in the written EXAM. This note will be completed with the note of the continuous evaluation (up to a maximum of 2 points), **ALWAYS AND WHEN THE EXAM HAS BEEN PASSED** (minimum of 4 points out of 8). If the EXAM is not passed in the first call, the final mark will be that of the exam and the continuous assessment mark may be saved for the second call.

In the second call, there are two options: if the continuous evaluation has been passed (at least 1 point has been obtained out of the 2 possible points that can be obtained), the final EXAM will have a maximum score of 8 points, which will be completed with the note obtained in continuous evaluation. Otherwise, if the continuous evaluation has not been passed, the EXAM of the second call will allow obtaining up to 10 points. In any case, in the second call the student will be able to opt for the option that most benefits them.

The grading system will be expressed by means of numerical grading in accordance with the one established by art. 5 of the R.D. 1125/2003, of September 5, which establishes the European system of credits and the system of qualifications in university degrees of an official nature and validity in the national territory.

REFERENCES

Basic

- Duran, J. J. y Gallardo F. (2013): Finanzas Internacionales para la Empresa. Pirámide. Madrid.
- Martín Marín, J. L. y Téllez Valle, C. (2014): Finanzas Internacionales. Paraninfo. Madrid.
- Mascareñas, J. (2004): El riesgo de la empresa. Tipología, análisis y valoración. Pirámide. Madrid.

Additional

- Berk, J., De Marzo, P. y Hardford, J. (2010): Fundamentos de Finanzas Corporativas. Pearson. Mexico.
- Eiteman, D., Stonehill, A. y Moffett, M. (2011): Las Finanzas en las empresas multinacionales. Pearson. México.
- 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.
- Mateos, P. y Analistas Financieros Internacionales (2001): Finanzas Internacionales. Ed. Académicas



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

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

