

Course: International Finance

Semester	Duration	Course character	Workload	Credit Points	Examination form
3 - 6	one Semester/ once a year	Elective	180 h, davon 60 h Contact studies 120 h Self studies	6	Written Exam

Course coordinator

Prof. Dr. Frieder Meyer-Bullerdiek

Prerequisites

Investition und Finanzierung (Investment and Finance)

Description of the course

The International Finance course deals with the financial management of multinational enterprises with special emphasis on currency hedging using derivatives. It starts with an overview of the foreign exchange market including the analysis of foreign exchange rates and quotations. Then, international parity conditions are explored. After this, an introduction to financial derivatives is provided before the primary foreign currency financial derivatives used today in multinational finance are explored. Afterwards, a number of hedging techniques used in international finance will be introduced. These include forward, money market and option hedges.

Competency aims

The students are able to describe the structure of the global foreign exchange market and the financial transactions conducted in this market including the forms of currency quotations used by market participants when conducting foreign exchange transactions. They know how price levels and inflation in countries determine currency exchange rates and can explain how interest rates drive the exchange rates and how forward markets for currencies reflect expectations. The students are able to describe the principles of important financial derivatives (financial futures, financial options and swaps). They can explain how currency futures, currency options and currency swaps are used. Students are able to describe how transaction exposure is defined and measured and how companies may hedge foreign exchange exposure.

Course components

- Attendance and participation:** Attendance and participation is strongly encouraged as general discussion, asking and answering questions will help understanding the course material.
- Exercises:** Many exercises will be discussed and solved together in class.
- Exam:** The exam will be held during the examination period at the end of the semester. The date will be determined by the examination board. The time allowed is 90 minutes. The exam will be based on the material and exercises discussed in class. It may include problems, multiple choice, true/false, short essay answers, short case studies etc.

References

Textbook:

Eiteman, D.K. / Stonehill, A.I. / Moffett, M.H.: "Multinational Business Finance", 15th edition, Global edition, Pearson Education Limited, 2021

Lecturer	Course language	Usability in ongoing studies / other studies
Prof. Dr. Frieder Meyer-Bullerdiek	English	The course can be used as an elective or validated for the lecture "Finanzmanagement" upon application to the examination board.