



SELF PROGRAM 2021/2022

International Finance: Capital Budgeting, Forex Hedging, & Country Risk Analysis

Professor : Eric Griette

Course information:

Number of credits: 6 credits

Contact hours: 30 hours

Hours taught per week: 3 hours

Teaching period: spring 2022

Course description:

* The course is an introduction to Financial Analysis & International Finance. It will familiarize you with some key concepts in international finance: foreign exchange rates, interest, foreign exchange derivatives, international investment criteria & decisions and country risk analysis ...). Exercises & case studies will be widely used.

Course content:

Lectures	Topics	
1,2,3	Fundamentals of Capital Budgeting Investment Decision Rules Exercises Case study: Lufthansa	6H
4, 5, 6	Transaction Exposure Currency Forwards, Currency Options Exercises Case Study: Airbus Forex / Brazil	6H
7	Operating Exposure Case study: Johnson & Johnson / Guangzhou, China	3H
8	Country Risk Analysis Case study: High speed train in Rio de Janeiro	3H
9	Short term financing / Working Capital Management Case study : Pakistan International Airways	3H
10	Review & Final Exam	3H

Prerequisites:

A basic understanding in corporate finance is required but not mandatory

Students should also be familiar with Excel.

Clearly, this is not an easy course. But beginners willing to work hard are more than welcome.

Course objectives:

- 1- Make students familiar with key concepts in international finance
- 2- Develop a good understanding of the tools & concepts for decision-making in a real context (exercises & case studies)

Assessment:

Students will be evaluated as follows:

- Final examination (70%)
- Participation to the class (exercises and cases must be prepared before lectures) (30%).

Attendance:

In order to participate, students must be present. Nevertheless, a maximum of 2 (two) unexcused absences will be allowed otherwise no mark will be given. An unexcused absence at a test (final test or continuous assessment) means no credits for the course. Students are expected to attend class regularly.

Laptops (except for case-studies) as well as cell phones (texting) are not allowed during the lectures. Electronic devices must be turned off during lectures.

A basic calculator is required (cell phones not allowed)

Bibliography:

- Pierre Vernimmen, Corporate Finance, 5th edition, Wiley, United Kingdom (2018)
- Michael Moffett, David Eiteman, Fundamentals of Multinational Finance, 5th edition, Pearson(2017)
- Financial Times