

## International Financial Management BMA5301

Saturdays, 0900 to 1200 (Room: Conference Room B1)

Instructor: Takeshi Yamada (ph: 6516-1912, email: bizty@nus.edu.sg)

Department of Finance, NUS Business School

Course web site: IVLE

Office hours: by appointment (BIZ1 Room 04-44)

### Course Objective:

- This course is an introduction to international finance and international financial management. Its purpose is to train students to relate financial analysis *at the firm level* with economic analysis *at the macroeconomic level*. In other words, the course tries to help *financial analysts* to relate their work to those of *strategists and economists*. Due to the objective of the course, the course has more weight on breadth than on depth regarding the coverage of the subjects.

### Course Description:

- This course is designed for students who have taken basic finance course(s).
- In the first half of the course, we discuss balance of payments, exchange rate markets, and exchange rate determination. The second half of the course will discuss foreign exchange risk exposure and management.
- The course will also cover current topics related to economic and currency situations in major countries and economies in Asia.

### Requirements:

You must be familiar with the basic concepts of financial management and/or investment. (Prerequisite: Financial Management or Investments. Knowledge of macroeconomics would be helpful, but not required.)

### Suggested textbook:

Kirt C. Butler, *Multinational Finance*, 4<sup>th</sup> Edition, John Wiley & Sons. 2008.

ISBN: 978-1-4051-8118-1

You can also use other textbooks, if you already have one such as Eitman, Stonehill, and Mofett, *Multinational Business Finance*, Pearson.

### Grading:

Midterm test (25%), Economic briefing (25%), Homework (10%), Group project/case (40%). The grading of the group project will be based on the presentation (15%) and write up (20%).

### Sources for economic and financial data:

- International Financial Statistics, IMF: (CDROM available at Central Library Information Desk)
- Economist Intelligence Unit (EIU): Country reports for a wide variety of countries
- SOURCEOECD: Organization for Economic Cooperation and Development, OECD: Macroeconomic data and country report for OECD countries

- DATASTREAM, BLOOMBERG: Financial data of companies for countries worldwide: available online. (Accessible thru PCs at HSSML – enquire at Information Desk).
- PROQUEST ABI/Inform
- FACTIVA: For newspaper articles.

## Topics

### **1. Introduction**

### **2. Balance of payments**

### **3. International monetary system**

### **4. Foreign exchange rate market**

### **5. Exchange rate determination**

### **6. Currency forward contracts**

### **7. Currency futures**

### **8. Currency Options**

### **9. Currency Swaps**

### **10. Identifying foreign exchange risk exposure**

### **11. Managing transaction exposure**

### **12. Managing operational exposure**