



## COURSE DESCRIPTION

### 1. Information about the programme

1.1 Institution of higher education	Alexandru Ioan Cuza University of Iasi
1.2 Faculty	Faculty of Economics and Business Administration
1.3 Department	Department of Finance, Money and Public Administration
1.4 Field of study	Finance
1.5 Level	Master
1.6 Study programme/ Qualification	Finance and Risk Management

### 2. Information about the course

2.1 Course name	International Financial Management						
2.2 Course coordinator	Bogdan Gabriel Zugravu (Assoc. Prof., PhD)						
2.3 Seminar coordinator	Bogdan Gabriel Zugravu (Assoc. Prof., PhD)						
2.4 Year of study	1	2.5 Semester	2	2.6 Type of assessment	E	2.7 Course status	C

\* C – Compulsory / E – Elective

### 3. Total estimated time (hours allotted to teaching activities per semester)

3.1 Number of hours per week	3	of which: 3.2 lecture	2	3.3 seminar/lab	1	
3.4 Number of hours in the curriculum	42	of which: 3.5 lecture	28	3.6 seminar/lab	14	
Time distribution						hrs
Study of the textbook, coursebook, bibliography and lecture notes						30
Additional research in the library, online and on the field						13
Preparation of seminars/labs, homework, projects, portfolios and essays						31
Tutorials						2
Assessment						6
Other activities.....						1
3.7 Total number of self-study hours						83
3.8 Total number of hours per semester						125
3.9 Number of credits						5

### 4. Prerequisites (if applicable)

4.1 Curriculum-based	Not applicable
4.2 Competence-based	Not applicable

### 5. Conditions (if applicable)

5.1 For lectures	Not applicable
5.2 For seminars / labs	Not applicable



**6. Specific competencies**

<b>Professional competencies</b>	<p><b>C1.</b> Analysis of the theoretical and practical aspects of financial markets, models, instruments that are used in the management of risks.</p> <p><b>C2.</b> Adequate use of mathematical and statistical concepts, methods and techniques in assessing risks and performing independent research in finance.</p> <p><b>C3.</b> Evaluation of the main risk factors for organizations and financial systems.</p> <p><b>C4.</b> Implementing effective financial management and reporting within the business environment to ensure value creation.</p> <p><b>C5.</b> Ensuring effective and appropriate governance and management of risk within an organization, in the context of an overall ethical framework.</p>
<b>Transversal competencies</b>	<p><b>CT1.</b> Application of the professional ethical norms and values in decision-making and undertaking of complex professional tasks, independently or within a team.</p> <p><b>CT2.</b> Human resources planning within a group or organization, in the context of awareness of own responsibility for professional outcomes.</p> <p><b>CT3.</b> Assuming the need for continuous development to create prerequisites for career progression and adapt own professional and managerial competencies to the economic dynamics.</p>

**7. Course objectives** (provided by the specific competencies grid)

<b>7.1. Main objective</b>	To acquire knowledge of and to develop competencies regarding the international aspects of the financial management of firms so that the student is able to handle international financial management issues at a proficient level
<b>7.2. Specific objectives</b>	<p>On completion of the course, the students will be able to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> understand the characteristics of the financial management of international enterprises or national enterprises operating at an international level;</li> <li><input type="checkbox"/> describe the foreign exchange market, including its functions and participants, distinguish between nominal and real exchange rates, and calculate and interpret the percentage change in a currency relative to another currency</li> <li><input type="checkbox"/> identify a triangular arbitrage opportunity and calculate its profit, given the bid– offer quotations for three currencies</li> <li><input type="checkbox"/> explain spot and forward rates and calculate the forward premium/discount for a given currency</li> <li><input type="checkbox"/> demonstrate how interest rate swaps, forwards, and futures can be used to manage the FX exposure</li> <li><input type="checkbox"/> discuss the investment objective(s), structure, payoff, risk(s), value at expiration, profit, maximum profit, maximum loss, and breakeven underlying price at expiration of a covered call position and of a protective put position</li> <li><input type="checkbox"/> describe foreign currency transaction exposure, including accounting for and disclosures about foreign currency transaction gains and losses</li> <li><input type="checkbox"/> compare the current rate method and the temporal method, evaluate how each affects the parent company's balance sheet and income statement, and determine which method is appropriate in various scenarios</li> <li><input type="checkbox"/> analyse how the current rate method and the temporal method affect financial statements and ratios</li> <li><input type="checkbox"/> explain how changes in the components of sales affect the sustainability of sales growth</li> <li><input type="checkbox"/> understand the theories and principals of foreign investment and to apply them in building foreign investment decisions based on rational criteria; select and use appropriate methods for investing abroad</li> </ul>





<input type="checkbox"/> understand the unique characteristics of multinational tax management; illustrate the use of offshore international financial centres and other techniques for multinational tax reduction <input type="checkbox"/> extend the domestic capital budgeting analysis to evaluate a greenfield foreign project <input type="checkbox"/> adjust the capital budgeting analysis of a foreign project for risk
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## 8. Content

8.1	Lectures	Teaching methods	Observations (hours & readings)
1.	Foreign Currency Derivatives	Interactive lectures, Case studies	4 hours (1, 2)
2.	Interest Rate and Currency Swaps	Interactive lectures, Case studies	6 hours (1, 2)
3.	Foreign Exchange Exposure	Interactive lectures, Case studies	4 hours (1, 2)
4.	Financing the Global Firm	Interactive lectures, Case studies	4 hours (1, 2)
5.	Foreign Investment Decisions	Interactive lectures, Project	4 hours (1, 2)
6.	Managing Multinational Operations	Interactive lectures, Case studies	4 hours (1, 2)

### Bibliography

#### Main readings:

- Eiteman, David K., Stonehill, Arthur I., Moffett, Michael H.. **Multinational Business Finance: Global Edition**. 14<sup>th</sup> edition. Pearson Education Limited, 2016.
- CFA Institute Investment Series' Books** published by Wiley – available at <https://www.wiley.com/learn/cfashowcase/#economics>  
[https://www.wiley.com/learn/cfashowcase/#currency\\_management](https://www.wiley.com/learn/cfashowcase/#currency_management)  
[https://www.wiley.com/learn/cfashowcase/#derivatives&alternative\\_investments](https://www.wiley.com/learn/cfashowcase/#derivatives&alternative_investments)

#### Additional readings:

- Deventer, Donald R.van, **International Business: the Challenge of Global Competition**, McGraw-Hill Higher Education, Boston, 2008
- Eun, Cheol, Resnick, Bruce, **International Financial Management**, McGraw-Hill, 2004
- Madura, Jeff, **International Corporate Finance**, Thomson South-Western, Mason 2006
- Shapiro, Allan C, **Multinational Financial Management**, John Wiley, 2004
- Valdez, Stephen, **An Introduction To Global Financial Market**, Palgrave MacMillan, New York, 2007
- Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.

8.2	Seminars / Labs	Teaching methods	Observations (hours & readings)
1.	Foreign Exchange Rates and Quotations	Documented Problem Solving	2 hour (1, 2)
2.	Foreign Currency Futures	Documented Problem Solving	1 hour (1, 2)
3.	Foreign Currency Options	Documented Problem Solving	2 hour (1, 2)





4.	Interest Rate and Currency Swaps	Documented Problem Solving	1 hour (1, 2)
5.	Foreign Exchange Exposure (transactions, operating, translation)	Context-Rich Problems	4 hours (1, 2)
6.	Foreign Investment Decisions	Professional Communication Projects	2 hours (1, 2)
7.	Tax Management	Coached Problem Solving	1 hour (1, 2)
8.	Working Capital Management	Coached Problem Solving	1 hour (1, 2)

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[https://www.wiley.com/learn/cfashowcase/#currency\\_management](https://www.wiley.com/learn/cfashowcase/#currency_management)  
[https://www.wiley.com/learn/cfashowcase/#derivatives&alternative\\_investments](https://www.wiley.com/learn/cfashowcase/#derivatives&alternative_investments)

**Additional readings:**

1. Deventer, Donald R.van, **International Business: the Challenge of Global Competition**, McGraw-Hill Higher Education, Boston, 2008
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**9. Corroboration of the course content with the expectations of community representatives, professional associations and representative employers from the programme's related field**

This course provides students with the core knowledge, skills, and abilities that are generally accepted and applied by finance and investments professionals throughout the world. Topics are selected in accordance to the requirements of Chartered Financial Analyst (CFA) and Professional Risk Manager (PRM) world-leading certifications for finance and risk management, to offer the adequate preparation for CFA and PRM exams. The course content is correlated to that of similar courses taught at renowned universities and is continuously updated based on the feedback of students and alumni. Moreover, this is a student-centered course that follows the best practices of learning and teaching in undergraduate education through the adoption of a variety of active-learning instructional methods.

**10. Assessment**

Type of activity	10.1 Assessment criteria	10.2 Assessment methods	10.3 Weight in final grade (%)
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10.4 Lectures	<ul style="list-style-type: none"> <li>- Clarity in explaining the determinants of exchange rates, and the functioning of foreign exchange markets</li> <li>- Accuracy in analyzing the potential financial risks of international operations and in measurement of exposure to foreign exchange risks</li> <li>- Accuracy of selection and implementation of the adequate instruments for hedging against FX risks</li> <li>- Depth in analyzing the drivers of foreign investment and accuracy in selecting appropriate methods for investing abroad</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Mid-term exam</b> (week 7, multiple-choice, problem solving) 25%</li> <li>- <b>Final exam</b> (week 14, multiple-choice, problem solving) 50%</li> </ul>
10.5 Seminars/ Labs	<ul style="list-style-type: none"> <li>- Punctuality in assignments completion</li> <li>- Accuracy in solving problems</li> <li>- Active participation in class</li> </ul>	- <b>Assignments</b> 10%
		- <b>class participation</b> (problem solving, active participation) 15%
10.6 Minimum performance standard		
<p>- Demonstration of the ability to explain the determinants of exchange rates and the functioning of foreign exchange markets, to analyze the potential financial risks of international operations and in measurement of exposure to foreign exchange risks , to select and implement the adequate instruments for hedging against FX risks , to analyze the drivers of foreign investment and select appropriate methods for investing abroad , taking the responsibility for tasks specific to the role in a team.</p> <p>- A minimum passing grade of 5.00 at the Final Exam and a minimum passing grade of 5.00 for the Final Grade</p> <p>The formula for the final grade is:  <math>FG = 0.5 \cdot FE + 0.25 \cdot MTE + 0.10 \cdot A + 0.15 \cdot CP</math>, where FG – final grade, FE – final exam, MTE – mid-term exam, A– assignments, CA – class activities</p>		

Date  
19.09.2023

Course Coordinator  
Assoc. Prof. Bogdan Gabriel Zugravu

Seminar Coordinator  
Assoc. Prof. Bogdan Gabriel Zugravu

Date of approval  
26.09.2023

Head of Department  
Prof. Ovidiu Stoica

