

WILMINGTON UNIVERSITY
COLLEGE OF BUSINESS
BASIC COURSE INFORMATION

COURSE TITLE: International Finance

COURSE NUMBER: MBA 7296

PRE-REQUISITE: MBA 7200

COURSE DESCRIPTION:

This course provides background on the international environment and focuses on managerial aspects from a corporate perspective. It introduces students to international markets and describes the relationship between exchange rates and economic variables. It then focuses on the measurement and management of foreign exchange rate risk, concentrates on the corporate management of short-term and long-term assets and liabilities, and finally describes international financial management from a

- B-1 Explain the balance of payments and other economic issues affecting the current account and capital account.
- B-2 Calculate bid/ask spread for currencies, exchange rate risk at banks and the markets for forward contracts.
- B-3 Identify the factors that influence exchange rate markets and volatility.

GOAL C:

currency futures, forwards and options.

Learning Objectives: The student will:

- C-1 Explain currency futures markets, currency call options, and currency put options.
- C-2 Identify the exchange rate systems and government intervention in the foreign exchange markets.
- C-3 Define international arbitrage and interest rate parity.
- C-4 Demonstrate an understanding of purchasing power parity and international Fisher effect.
- C-5

E-2 Discuss how the cost of capital is determined in segmented versus
-listed on foreign stock
exchanges.

E-3 Illustrate the Net Present Value capital budgeting framework and expand this methodology into the Adjusted Present Value model for analyzing the capital expenditures of a MNC in a foreign land.

E-4 Compare and contrast the three basic types of taxation that governments levy within their jurisdictions including Income tax, Withholding tax and Value-added tax.

E-5 Demonstrate how double taxation on a taxpayer may result if all countries were to tax the worldwide income of their resident and income earned within their territorial boundaries.

E-6 Discuss how a MNC might use transfer pricing strategies as a possible technique for reducing tax liabilities.