

Multinational Financial Management

BSC019

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Multinational Financial Management

The increasing **integration** of global products and financial markets around the world requires **financial managers** working for **multinational corporations** to consider:

- **exchange rates,**
- **international capital and debt markets, and**
- **economic and political risks**

to achieve shareholder wealth maximization.

Multinational Financial Management

MFM aims to develop a thorough understanding of the practice of **financial management** in companies operating in the **international environment**.

- **Financing and Investment** decisions
 - funds sources and funds allocations
 - capital structure and return on investments

Students of finance with **international orientation**.

MFM – Main Topics

- International exchange, interest and inflation rates
- Multiple money and capital markets
- Political and economic risk of foreign countries
- Market imperfections - arbitrage
- International differences in tax and accounting regimes
- Government limitations/barriers
- International diversification

MFM – Main Topics

- Management of foreign exchange exposure
- Balance of Payment Dynamics
- International Capital Flows
- Speculative Currency Attacks
- Foreign exchange derivatives
- Corporate finance in the international business
- Cost of Capital and Capital Structure decisions

Teaching & Assessment

- **Teaching**

- 11 two-hour lectures
- Main topics presentation and discussion
- Student engagement through quizzes and group tasks

- **Assessment**

- One two-hour written exam – 100%

Pre-requisites & Main Readings

- **Pre-requisites**

- BSB027: Financial Markets and Derivatives Fundamentals

- **Main Textbook**

- Shapiro, A.C. and Moles, P. International Financial Management, 1st Edition, 2014, John Wiley & Sons Ltd, ISBN-13 9781118929322.

- **Other related readings**

- Any textbook that is titled “International Financial Management” or “Multinational Financial Management”
- LEARN online resources uploaded by the module leader.

Module Aims, Skills & Knowledge

- Understand the practice of financial management in the Multinational Corporation.
- Critical reasoning in the context of MFM.
- Understand the mechanics of foreign exchange rates operations and international capital flows.
- Critically assess international finance theories and research evidence.
- Evaluate and assess alternatives in complex international financial scenarios.