

Module 32120
International Finance
Courses A (32122) and B (32222)

Title of module	International Finance
No./ Code of module	32120 (32122 and 32222)
ECTS-Credits (based on the workload)	6 (3 + 3)
Emphasis of the grade for the final grade	6 ECTS out of a total of 60 ECTS
Person responsible for module	Prof. Dr. Giesel
Semester / Trimester	Semester
Aim of module (expected learning outcomes and competencies to be acquired)	<p>Students shall obtain fundamental understandings and skills of</p> <ul style="list-style-type: none"> - new developments, strategies and instruments of the financial management in international corporations, - calculating international projects and investments including political, currency and knock-on effects and - finding the optimal capital structure of international corporations by analyzing theory and practice. This knowledge shall enable students to apply appropriate financial strategies and instruments in international corporations.
Contents of the module	Financial Management and globalization of the firm, international capital budgeting decisions, calculation of the net present value of international investment projects, balancing operating and financial risks, minimizing the cost of capital, local vs. global target capital structure
Duration of the module	2 Semesters
Frequency of module offer	32122 Summer Semester 32222 Winter Semester
Prerequisites	Only Admission to Master Program
Methods of examination (also length of examination)	Written or oral exam or research paper
Applicability of module for other modules and study programmes	Strong Relationship with Courses in International Economic Relations

Course A (32122)

Code of Part Module	32122
Title of Part Module	International Capital Structure
Semester or Trimester	Semester
Duration of Part Module	One Semester
Type of Course (Obligatory, elective, etc.)	Obligatory
Components of Course, if applicable	
Frequency of Offer of Part Module	Each Winter Semester
Entry Requirements	Successful Application for Master Program
Relationship of Module with other Modules of Programme	Close Connection with Modules 32142 International Economic Relations A: Competitiveness of Latin American Countries and 32242 International Economic Relations B: Criteria for Economic Country Evaluation
Person Responsible for Module	Prof. Dr. Franz Giesel
Name of Teaching Staff	Prof. Dr. Franz Giesel
Language of Instruction	English
Number of ECTS-Credits	3
Total Workload and its Composition (i.e. Teaching, Self Study, Preparation of Presentations)	90 hours (= 30 hours Teaching and Presentations, 30 hours Preparation of Presentations and 30 hours Self Study Preparation for Exam)
SWS	2 per week Teaching and Presentations
Methods of Examination / Requirements for Grades	Written exam (90 minutes) or oral exam or research paper
Weight of Part Module in Course Grade	$\frac{1}{2}$ = 50 %
Aim of Part Module (expected learning outcomes and competencies to be acquired)	Students shall obtain fundamental understandings and skills of new developments, strategies and instruments of the financial management of international corporations. They shall apply basic financial strategies and instruments to actual problems of

	international enterprises: - Calculating cash flows and discount rates - Minimizing the cost of capital - Finding the optimal capital structure of an international enterprise (parent company and subsidiaries)
Contents of Part Module	- Advantages of securitization - Financial management and exchange rate risk - Balancing operating and financial risks - Dividend policy and capital structure - Local vs. global target capital structure all discussions with actual examples
Teaching and learning methods	Lectures, Discussions and Presentations of Students
Special features (e.g. percentage of online-work, practice, guest speaker, etc.)	External Guest Speakers
Recommended literature (Teaching and learning material)	Butler Kirt C.: Multinational Finance, 3rd ed., 2004 Clark, Ephraim: International Finance, 2nd ed., 2002 Eiteman, David K., Stonehill, Arthur I., Moffett, Michael H.: Multinational Business Finance, 11th ed., 2007 Madura, Jeff: International Financial Management, 7th ed., 2003 Shapiro, Alan C.: Multinational Financial Management, 8th ed., 2006

Course B (32222)

Code of Part Module	32222
Title of Part Module	International Investments
Semester or Trimester	Semester
Duration of Part Module	One Semester
Type of Course (Obligatory, elective, etc.)	Obligatory
Components of Course, if applicable	
Frequency of Offer of Part Module	Each Summer Semester
Entry Requirements	Successful Application for Master Program
Relationship of Module with other Modules of Programme	Close Connection with Modules 32142 International Economic Relations A: Competitiveness of Latin American Countries and 32242 International Economic Relations B: Criteria for Economic Country Evaluation
Person Responsible for Module	Prof. Dr. Franz Giesel
Name of Teaching Staff	Prof. Dr. Franz Giesel
Language of Instruction	English
Number of ECTS-Credits	3
Total Workload and its Composition (i.e. Teaching, Self Study, Preparation of Presentations)	90 hours (= 45 hours Teaching and Presentations, 30 hours Preparation of Presentations and 15 hours Self Study Preparation for Exam)
SWS	3 per week Teaching and Presentations
Methods of Examination / Requirements for Grades	Written exam (90 minutes) or oral exam or research paper
Weight of Part Module in Course Grade	$\frac{1}{2} = 50 \%$
Aim of Part Module (expected learning outcomes and competencies to be acquired)	Students shall learn - analyzing new developments, strategies and instruments of the financial management of international corporations and how to use them in international enterprises,

	<ul style="list-style-type: none"> - solving the problems of the conflict parent vs. subsidiary viewpoint in decision making, - calculating international projects and investments, - how risks like political and currency risks change the cash flows or the discount rate in the capital budgeting process, - finding the optimal capital structure of international corporations by analyzing theory and practice. <p>This knowledge shall enable students to apply appropriate financial strategies and instruments in international corporations.</p>
Contents of Part Module	<ul style="list-style-type: none"> - Financial policy and globalization of the firm - Sourcing equity and debt globally - International capital budgeting decisions - Calculating the NPV of international projects - Balancing operating and financial risks - Measuring country risk - Country diversification effects - Finding the appropriate discount rate for calculating international investment projects
Teaching and learning methods	Lectures, Discussions and Presentations of Students
Special features (e.g. percentage of online-work, practice, guest speaker, etc.)	External Guest Speakers
Recommended literature (Teaching and learning material)	<p>Eiteman, David K., Stonehill, Arthur I., Moffett, Michael H.: Multinational Business Finance, 11th ed., 2007.</p> <p>Gitman, Lawrence J.: Principles of Managerial Finance, 12th ed., 2009.</p> <p>Hull, John C.: Options, Futures and other Derivatives, 6th ed., 2006.</p> <p>Pike, Richard; Neale, Bill: Corporate Finance and Investment, 5th ed., 2006.</p> <p>Ross, Stephan A.; Westerfield, Randolph W.; Jaffe, Jeffrey: Corporate Finance, 7th ed., 2005.</p> <p>Different case studies</p>