



UNIVERSITY OF NATIONAL AND WORLD ECONOMY

COURSE TITLE: INTERNATIONAL FINANCIAL MANAGEMENT

SEMESTER: WINTER

TEACHER'S NAME: TZVETOMIR TZANOV, Chief Asst. Prof, Ph.D.

OFFICE: 3030

E-MAIL: tzanov@unwe.eu

1. ANNOTATION

The goal of the course is to provide students with a profound understanding of financial management issues in an international setting. The course aims to help students develop analytical tools that incorporate key international considerations related to foreign business and investment activity into fundamental financial decisions usually taken by the managers of the Multinational Corporation (MNC). Thus, basic financial decisions about optimal capital structuring, long-term asset and liability management, working capital management involve considerations of exchange rate risk management, multinational company valuation and capital budgeting, country risk factors and foreign tax regime implications. The material taught is based on practical examples and case studies.

2. LANGUAGE OF TEACHING

ENGLISH

3. COURSE CONTENT (TOPICS)

1. Introduction to International Financial Management (IFM).
2. Country Risk Analysis.
3. Exchange Rate Risk Management. Managing transaction exposure.
4. Managing Operating and Translation Exposures.
5. Cash Flows of the MNC and Valuation Models.
6. Foreign Investment Decisions.
7. Multinational Capital Budgeting.
8. Multinational Cost of Capital and Capital Structure of the MNC.
9. Managing Working Capital: International Cash Management.
10. International Taxation.
11. International Portfolio Investing.
12. Financing Opportunities in a EU Setting.

4. METHODS OF TEACHING

Description of the different teaching methods that will be used, such as lectures, seminars, group discussions, team works and other teaching methods.

- As per the course curriculum 2 academic hours of lectures and respectively 2 h. of seminars are being held weekly. While preparing for lectures and seminars, students are also expected to spend appropriate extracurricular academic hours.
- Lectures are being delivered using PowerPoint presentations. Cases and practical problems are being prepared for the lectures as well.
- As part of their seminar work students are given individual or teamwork semester assignments. The topic of each one is chosen accordingly with students' preferences and/or instructor's recommendations, following respective requirements (scope, structure, formatting, etc.).



UNIVERSITY OF NATIONAL AND WORLD ECONOMY

- Group discussions and case solving team work are also part of lectures and seminars' work.

5. LEARNING OUTCOMES

Description of the skills and knowledge that students will acquire:

- Capability of working up and implementing basic financial decisions related to cross-border operations of the firm, incl. identifying financing and investment alternatives, exchange rate risk management, mastering of capital budgeting techniques, working capital management.
- Understanding of the scope and instruments of the financial management function within a multinational corporation.
- Understanding about the factors and the constraints influencing and shaping financial decisions in an international business environment, such as country risk, regulations and standards, institutional framework, firm policy and strategy limitations, etc.
- Supporting financial decisions within companies that are operating internationally, more precisely in the EU, and in the region of Southeastern Europe.

The main expected results, upon successful completion of the course relate to mastering basic theoretical concepts, practical instruments, methods and techniques applied in the process of financial management in an international setting.

6. ASSESTMENT METHODS

Information about the type of examination and how students will be evaluated.

- Continuous assessment will be provided based on the evaluation of students' semester assignments presented in seminar classes, forming a separate component in the final grade.
- The second component consists of participation in class (co-moderation, discussions).
- Semester test examination grade forms the third component. Test type: multiple-choice.
- The final grade in the course will be determined with the following weights:

$$\mathbf{FG = 0.6 ST + 0.3 SA + 0.1 CP,}$$

Whereas **FG** = final grade;
ST = semester test grade;
SA = semester assignment grade;
CP = class participation.

The final grading is based on the six-grade system, the minimal grade for satisfactory completion being "Fair" (3) and, respectively the highest mark being "Excellent" (6).

7. REFERENCES (MANDATORY AND RECOMMENDED)

A. MAIN REFERENCES

1. Madura, J. International Financial Management, 8th edition, South-Western Publishing Company, 2006.
2. Madura, J., Fox R. International Financial Management, 2nd edition, South-Western Cengage Learning, 2011.
3. Shapiro, A. Multinational Financial Management, J.Wiley & Sons, 2010.

B. SUPPLEMENTARY REFERENCES

1. Brealey, R., Myers, St., Allen, F. Principles of Corporate Finance, 9th Ed., McGrawHill, 2008.
2. Buckley, A. International Finance A Practical Perspective, Pearson, 2012.
3. Damodaran, A. Corporate Finance. Theory and Practice, J.Wiley & Sons, 2001.