

**COURSE DATA****DATA SUBJECT**

Code: 46785
Name: International finance
Cycle: Master's Degree
ECTS Credits: 5
Academic year: 2025-26

STUDY (S)

Degree	Center	Acad. year	Period
2268 - Master's Degree in International Business Management	Facultat d'Economia	1	First quarter, Second quarter

SUBJECT-MATTER

Degree	Subject-matter	Character
2268 - Master's Degree in International Business Management	International finance	COMPULSORY

COORDINATION

BEL OMS INMACULADA

SUMMARY

This course introduces the student to international finance. Technology has made the world smaller, and all firms have relatively easy access to customers around the world. This environment creates opportunities and risks for companies. In this class, we examine the additional risks firms face in an international business and how to make optimal decisions in this environment. The international risks include exchange rate risk, political risk, and cultural risk. During the class we will learn methods and tools that companies use to mitigate these risks.

PREVIOUS KNOWLEDGE**RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE**

There are no specified enrollment restrictions with other subjects of the curriculum.

OTHER REQUIREMENTS

Students must have completed a degree which allows them to understand business and financial matters



COMPETENCES / LEARNING OUTCOMES

2268 - Master's Degree in International Business Management

Students should apply acquired knowledge to solve problems in unfamiliar contexts within their field of study, including multidisciplinary scenarios.

DESCRIPTION OF CONTENTS

1. Corporate Finance: Basics

Ratio Analysis
Investment Analysis

2. Valuation of investments in multinational companies

Complexities for budgeting for a foreign project
Project versus Parent valuation

3. Foreign Currency market

Exchange rates
Different quotes
Spot, forward and swap

4. International parity conditions

Purchasing Power Parity and The Law of One Price
Interest Rates and Exchange Rates
Interest rate parity
Forward Rate as an Unbiased Predictor of the Future Spot Rate
Prices, Interest Rates, and Exchange Rates in Equilibrium

5. Foreign currency derivatives

Futures on Foreign Currency
Options on Foreign Currency



6. Transaction Risk

Managing of Transaction Exposure

7. Operational risk

Managing Operational or Economic Exposure

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Tutorials	12,00
Theory	23,00
Classroom practices	10,00
Total hours	45,00

NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	0,00
Individual or group project	40,00
Independent study and work	40,00
Preparation of lessons	0,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
Total hours	80,00

TEACHING METHODOLOGY

In-class:

- Lectures, where theory, models and techniques are discussed and explained.
- Seminars, where students will discuss cases and do exercises (Mini test)
- Guest lectures

Self-managed learning:



- Learning modules including exercises from online course content
- Relevant learning material is studied individually and in groups
- Case studies are discussed in groups
- Group project is done outside of class
- Students are expected to spend time outside of class learning material
- Students are expected to spend approximately two hours each week outside of class time reviewing material for every hour of class time. For example, if the class meets for two hours in a week the student should spend 4 hours outside of class time preparing for class.

Peer presentations

- Case studies and group projects are presented in class

EVALUATION

Project I: - Corporation Financial Statement Analysis

This project involves a financial statement (ratio) analysis of company of your choice. Present background information on the strength and weaknesses of this company. Examine its financial situation from the aspects of its liquidity, asset management, financial risk and profitability using financial statement data for the past 3 years. Also, examine its market ratios. Conduct a common size analysis of the statement.

Do you consider the management successful? Provide a benchmark for your analysis by comparing its ratios to a close competitor.

Project II- Multinational Capital Budgeting Analysis

We will study the Harvard Business Scholl case ¿Groupe Ariel S. A.: Parity Conditions and Cross Border Valuation¿ to discuss business investment decisions by multinational corporations. The case examines the decision of Groupe Ariel¿s Mexican subsidiary to purchase and install cost saving equipment. We will discuss how the decision is made by the headquarters in Mullhouse, France by using the net present value (NPV) criteria.



This case can be replaced with a test.

Both of these are group projects.

Final Examination will consist of multiple-choice questions as well as short essay/problems and will be designed to cover the full content of the course.

Assessment may include, but is not necessarily limited to, the following methods: case study, report and group presentation.

University	Form of assessment	Learning outcomes
University of València (ES)	§ 10% Quiz § 25% Project 1 § 25% Project 2 § 40% Final Exam	§ 1 §

REFERENCES

- Eiteman D., Stonehill A. and Muffet M., 2023 Multinational Business Finance Pearson, 16th ed.
- Eiteman D., Stonehill A. and Muffet M., 2023 Fundamentals of Multinational Business Finance, Pearson, 7th ed.
- Eun, C.; Resnick, B. and Chuluun, T., 2024, International Finance, McGraw-Hill, 10th ed.
- Shapiro, A.C., 2019, Multinational Financial Management, Wiley, 11th ed.
- Ross, S., Westerfield, R., Jaffe, J., 2022, Corporate Finance, McGraw-Hill, 13th ed.