

# Bemidji State University

## BUAD 3773: Global Finance

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: \*.\*

Lab Hours/Week: \*.\*

OJT Hours/Week: \*.\*

Prerequisites: None

Corequisites: None

MnTC Goals: None

The study of the risks and opportunities faced by multinational firms. Students will consider five factors that distinguish global finance from domestic finance: different currency denominations, legal ramifications, role of governments, and language and cultural differences. The course covers the following global opportunities: product efficiency, broader markets, new raw material sources, new technology, diversification, and retain customers. Prerequisites: ACCT 2101, ACCT 2102, BUAD 2231, BUAD 3771, ECON 2000, and ECON 2100.

**B. COURSE EFFECTIVE DATES:** 08/25/2008 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. Multinational Financial Management
2. International Flow of Funds
3. International Financial Markets
4. Exchange Rate Determination
5. Currency Derivatives
6. Government Influence on Exchange Rates
7. International Arbitrage and Interest Rate Parity
8. Relationships among Inflation, Interest Rates, and Exchange Rates
9. Managing Transaction Exposure
10. Managing Economic Exposure and Translation Exposure
11. Direct Foreign Investment
12. Multinational Capital Budgeting
13. International Corporate Governance and Control
14. Country Risk Analysis
15. Multinational Cost of Capital and Capital Structure
16. Long-term Financing
17. Financing International Trade

#### **D. LEARNING OUTCOMES (General)**

1. be able to identify the management goal and organizational structure of the MNC
2. be able to describe how an MNC's economic exposure and translation exposure can be hedged
3. be able to illustrate the benefits of international diversification
4. be able to explain how the risk of international projects can be assessed
5. be able to describe a model for valuing the MNC
6. be able to describe the key theories that justify international business
7. be able to explain the common methods used to conduct international business
8. be able to explain the key components of the balance of payments
9. be able to describe the elements of the foreign exchange market, the international money and credit markets, and the international bond and stock markets
10. be able to explain exchange rate movements and equilibrium, and the factors that affect exchange rates and movements in cross exchange rates
11. be able to describe how governments use direct and indirect intervention to influence exchange rates and how such intervention can affect economic conditions for the MNC
12. be able to explain how firms can benefit from forecasting exchange rates and describe the common techniques used for forecasting

#### **E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

#### **F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

#### **G. SPECIAL INFORMATION**

None noted