

## Liverpool John Moores University

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Title: ADVANCED CORPORATE & INTERNATIONAL FINANCE  
Status: Definitive  
Code: **6005KFLAF** (118031)  
Version Start Date: 01-08-2011

Owning School/Faculty: Liverpool Business School  
Teaching School/Faculty: Kaplan Financial London

Team	Leader
Jason Laws	

**Academic Level:** FHEQ6  
**Credit Value:** 24.00  
**Total Delivered Hours:** 55.00  
**Total Learning Hours:** 240  
**Private Study:** 185

### Delivery Options

Course typically offered: Standard Year Long

Component	Contact Hours
Lecture	52.000

**Grading Basis:** 40 %

### Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Exam	Exam.		67.0	3.00
Essay	Essay		33.0	

### Aims

1. To provide an international perspective to corporate finance.
2. To provide the student with an understanding of the nature and role of the exchange rate in finance and economics.
3. To increase awareness of market risk and the mechanisms available to mitigate this risk.

## Learning Outcomes

After completing the module the student should be able to:

- LO 1 Appreciate the position of a corporation in the world economy.
- LO 2 Identify causality and equilibrium between financial markets and economic activity, using appropriate theoretical models.
- LO 3 Use published market data in 'real-world' financial problems.
- LO 4 Diagnose the translation, transaction and economic risk facing an economic entity and manage this risk using appropriate financial instruments.
- LO 5 Select derivative products appropriate to market conditions.
- LO 6 Recognize the impact of the exchange rate on portfolio analysis.
- LO 7 Incorporate international risk into capital budgeting decisions.
- LO 8 Identify the appropriate tools to finance foreign trade.

## Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

Examination	LO 1	LO 2	LO 5	LO 6	LO 7	LO 8
Essay	LO 3	LO 4				

## Outline Syllabus

1. *Multinational financial management*
2. *Exchange rate determination*
3. *Country risk analysis*
4. *The foreign exchange market: framework and conventions*
5. *Speculating and hedging using the futures market*
6. *The market for options and the pricing of options*
7. *Currency swaps*
8. *Measuring and managing translation and transaction exposure*
9. *Measuring and managing economic exposure*
10. *International financing*
11. *The cost of capital for foreign investments*
12. *International portfolio investment*
13. *Capital budgeting for the multinational corporation*
14. *Financing foreign trade*

## Learning Activities

A 2 hour flexible session with formal lecture time, problem solving and discussion.

## References

<b>Course Material</b>	Book
<b>Author</b>	Shapiro, A
<b>Publishing Year</b>	2009
<b>Title</b>	Multinational Financial Management
<b>Subtitle</b>	
<b>Edition</b>	9th edition
<b>Publisher</b>	John Wiley
<b>ISBN</b>	

<b>Course Material</b>	Book
<b>Author</b>	Eiteman, D, Stonehill, A and Moffett, M
<b>Publishing Year</b>	2009
<b>Title</b>	Multinational Business Finance
<b>Subtitle</b>	
<b>Edition</b>	12th edition
<b>Publisher</b>	Pearson
<b>ISBN</b>	

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### Notes

The module is concerned with the topic of international finance. It covers the foreign exchange and derivatives markets, the use of these to manage exchange rate risk and to understand how to implement a strategy to profit from market movements. The module builds on the material in 5055BUSAE in incorporating cross border issues into corporate finance decision making.

Understanding of the module is enhanced through an online Trading Simulation where students are given \$250,000 to trade on currency futures traded on the Chicago Mercantile Exchange.