



THE UNIVERSITY OF AUCKLAND
BUSINESS SCHOOL

The University of Auckland Business School

Course Outline 2013

INTBUS725 GLOBAL TRADE AND FINANCE (15 POINTS) **Quarter I**

Course Prescription

Provides global managers with the ability to understand the economic environment in which they operate and apply the fundamental concepts of economic analysis to business decisions with regards to global trade and finance.

Goals of the Course

The course is designed to develop an understanding of financial issues relating to international businesses and the global economy. The course will focus on the financial dimension of global business. The course has both theoretical and applied elements and will allow students to conceptualise international finance issues as they impact in international business. The course provides a broad understanding of the international financial environment and markets. In addition, the course will include international financial tools utilised by international businesses in their day to day operations. Analytical frameworks, case studies and discussions will be used in order to develop students' analytical thinking and decision-making skills.

Learning Outcomes

At the end of the course, students will be able to:

1. Broadly understand the international financial environment
2. Understand the various international financial markets
3. Identify and utilise various international financial instruments (for example, currency forwards)
4. Understand how exchange rates are determined
5. Develop a broad understanding of international equity and bond markets
6. Understand how a firm should measure and manage foreign exchange exposures
7. Identify the key components facing a global firm in terms of capital budgeting and investing (especially NPV)
8. Understand how to manage operations within a international environment

Content Outline

- Week 1: Global Financial Environment and Terminology
- Week 2: Foreign Exchange Markets and Theory
- Week 3: Foreign Exchange Theory (continued) and Derivatives
- Week 4: Foreign Exchange Exposure
- Week 5: Foreign Exchange Exposure (continued) and Financing the Global Firm
- Week 6: Swaps and Guest Speaker
- Week 7: Foreign Investment Decisions
- Week 8: Foreign Investment Decisions (continued)
- Week 9: Managing Multinational Operations
- Week 10: Final Test

Learning and Teaching

The course will comprise three contact hours and seven or more independent study hours per week.

The three contact hours per week will variously consist of lectures, tutorials, case studies, exercises, videos, guest speakers and opportunities to explore issues emerging from case study analysis. In general, each three hour session will be structured as follows:

- Recap of previous session, including class discussion of problem set (if applicable)
- Team presentation
- Lecture and/or guest speaker
- Break
- In-class case – group breakout
- In-class case – class discussion
- Summary
- Overview of next session

The seven independent hours per week are expected to consist of reading and preparing for lectures, case studies and exercises, further reading and group work. PowerPoint outlines of each lecture will be posted on Cecil for students, but attendance in lectures is a requirement. Classes are designed to be interactive and student participation is expected.

Teaching Staff:

Christina Stringer (Course Coordinator)
E-mail: c.stringer@auckland.ac.nz

Chris Young (Lecturer)
E-mail: chris.young@hillhouse.co.nz

Lecture Times: Monday 4 p.m. to 7 p.m.
Venue: ARTS-C303

Learning Resources

The following text is required reading for this paper:

Multinational Business Finance, 12th Edition, by David K. Eiteman, Arthur I. Stonehill, and Michael H. Moffett.

Given the diversity of the topics to be covered in this course, additional reading material and case studies will be provided to supplement the textbook.

Assessment

Assessment is as follows:

Class Participation	15%
Individual Assignments	30% (two assignments; each worth 15%)
Team Presentation	10%
Final Test	45%

Individual Assignments: The two assignments will be distributed in class and should be handed in on the due date. Late assignments will NOT be accepted.

Teamwork: Teamwork is highly encouraged. Each student is required to join a team consisting of 3-4 members (exact numbers per team to be determined). The team will jointly prepare the Team Presentation.

Final Test: This will be a 140-minute in-class test (week 10) that may include questions from the entire course including lecture material, readings, class discussion and case studies.

Learning Outcome	Class Participation	Individual Assignments	Team Presentation	Final Test
1	X	X	-	X
2	X	X	X	X
3	X	X	X	X
4	X	X	X	X
5	X	X	X	X
6	X	X	X	X
7	X	X	X	X
8	X	X	X	X