

FIN 6608: Financial Management of the Multinational Corporation

Course Objective: This course is designed to build upon FIN 6638, the international capital markets course taught in Module 1 (although FIN 6638 is not a prerequisite). Therefore, I will not cover the foreign exchange markets and sourcing debt and equity. Instead, we will focus on using information to make management decisions.

Course Description: Our perspective in this course is the manager of a transnational or multinational company who is charged with the responsibility to oversee global operations. Our focus is on solving operational problems in the day-to-day financial management of such organization. We will cover International Financial Management and the Multinational Corporation, Transaction Exposure, Operating Exposure, Accounting Exposure, Interest Rate Exposure and Swaps.

Much of the time I will lecture, at other times we will have discussions of issues and case studies. You will notice in each chapter there are references to the world wide web at the end of the chapter. Also, the business library homepage is a wealth of relevant references. I strongly encourage you to utilize these sources of information to the fullest and to bring up some of the issues in class when relevant. There are also questions at the end of each chapter. I suggest that these would be appropriate study vehicles to ensure that you understand the ideas in the chapter.

Prerequisites: FIN5437 and FIN5439 or FIN 6930 Corporate Finance

Textbook: (1) *Multinational Business Finance*, eleventh edition, Eiteman, Stonehill and Moffett.

Assignment: (1) Case Write-Ups – Each team will be responsible for analyzing and writing up assigned case studies. The write-ups are not restricted in length. They should be as long as necessary to cover the topic adequately. The case should cover the following points: the nature of the issue; the alternatives considered; the methodology used to evaluate the alternatives (when applicable); and your recommendation (with complete justification). The write-up should be professional, as if you were preparing it for senior executives in your company, and the prose should be clear. Technical information can be placed in appendices if that makes the presentation easier to read and understand, but be sure to cross reference all appendix material so that it is clear what it represents and where it fits into the analysis.

Grading: Exams (60%, 30% each); Case Write-Up (32%, 8% each); Class Participation (8%)