

## COURSE OUTLINE

**Professor:** *Simon van Norden*

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### **Description:**

This course is designed as an English-language equivalent to 3-251-84: Gestion financière internationale. Like its French-language counterpart, it teaches students the theory and techniques of international financial management, particularly in the context of a multinational corporation. By the end of the course, students should be able to:

- Interpret exchange rate fluctuations using theoretical models of exchange rate determination.
- Identify the essential factors and constraints on risk management in an international context (exchange rate risk, interest rate risk, political risk and credit risk.).
- Give specific recommendations and suggest general strategies for managing the risks inherent in international financial activities.
- Read and interpret analysis in international financial media.

This course has no special prerequisite.

Credit may not be obtained for both 3-251-99 and 3-258-99.

### **Required Readings:**

David K. Eiteman, Arthur I. Stonehill and Michael H. Moffett, *Multinational Business Finance*, 9<sup>th</sup> ed., Addison Wesley Longman, 2001, ISBN 0-201-635386. This is the same textbook that was used in this course last year; however it is not the same as that used in 3-251-99.

**International Financial Media:** Students need to read international financial reporting at least once a week. Many different sources may be used; some are available in the library or on the internet. Suggested sources include:

- *The Economist* (<http://www.economist.com>)
- *The Wall Street Journal* (<http://wsj.com>)
- *The Financial Times* (<http://www.ft.com>)
- *Reuters* (<http://www.reuters.com/news>)
- *Bloomberg Online* (<http://www.bloomberg.com>)
- *Euromoney* (<http://www.emwl.com>)

**Newsgroup:** <news://hec.baa.3-258>

This is the place to ask questions related to course administration, textbook problems, things mentioned in class, or to international finance in general. I try to respond to all questions within 2

working days, sooner just before exams. Materials related to the course will often be posted here or on the course web site. You should check the newsgroup at least every week before class.

**Course Web Site:** <http://www.hec.ca/sites/cours/3-258-99>

The web site has many useful resources, the principal one being copies of the overheads I use in class. It also has links to many other sites, as well as lists of known errors in the textbook and problem solutions.

### **Other Resources:**

Students are encouraged to visit the *salle des marches* (<http://canarie.hec.ca/salledesmarches>) and familiarise themselves with the resources available there.

The publisher maintains a web site with information linked to the textbook at <http://www.awl.com/eiteman>

### **Evaluation:**

Final marks will be based equally on the mid-term and final exams.  
The final exam will cover only material covered after the mid-term.

The best preparation for the exams will be the exercises in the textbook.  
These will be assigned on a class-by-class basis.

### **Contact Information:**

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4.215 (moving in Sept.)  
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If you have questions related to the course or its subject, feel free to drop by my office or contact me by e-mail. The telephone is a particularly unreliable way to contact me, however, as I do not regularly check my voice mail.