



APPLIES TO ACADEMIC YEAR 2010/2011

## BØK 2620 Multinational Finance

### Programme

Bachelor in Finance (3. year)

### Responsible for the course

### Department

### Term

According to study plan

### ECTS Credits

15

### Language of instruction

Norwegian

### Introduction

### Objective

To understand how international economic integration generates new business opportunities and risk for national as well as international firms. The international dimension extends the field of corporate finance into currency and interest rate risk topics based on deviations from the purchasing power and interest rate parity theorems. A key objective is to be able to distinguish between the concepts of currency exposure and risk at the corporate level.

### Prerequisites

Basic courses in investments theory. Students are also required to having successfully completed the progression of courses in the Bachelor Finance program during the second year and the fall-term of the third year.

### Compulsory reading

#### Books:

Eiteman, David K., Arthur Stonehill and Michael H. Moffett. 2010. Multinational business finance. 12th ed. Boston : Pearson. 650. Siste utgave brukes i undervisningen.

### Recommended reading

#### Books:

Madura, Jeff. 2010. International corporate finance. 10th ed. Mason, Ohio : Thomson South-Western

### Course outline

Chapter references to the textbook: Eiteman-Stonehill-Moffett; *Multinational Business Finance* , 11. edition (ESM):

1. International Finance ESM: 1- 3
2. Exchange Rate Theory ESM: 4-5
3. Exchange-traded Derivatives ESM: 6-7
4. Currency Trading ESM: 8-10
5. Financing the Global Firm ESM: 11-15
6. Foreign Direct investment ESM: 16-17

### Computer-based tools

Excel and Maple. Such tool are, however, not permitted on the examinations.

### Course structure

The lecture series consists of 54 classroom-hours of teaching over 14 weekly lectures.. Students are required to write an individual term-paper on a topic central to multinational finance. Presence at three tutoring seminars related to the semester-thesis, is mandatory. A passing grade on two midterm exams and the term-paper is required in order to receive a final grade for the course. The midterm-examinations

will be held throughout the course and a final exam by the end of the semester. More information regarding the term-paper and the examinations will be provided in class.

### **Examination**

Grade in course will be a result of Process evaluation and will be based on following activities:

Part 1 - Mid-term exam - Three hour individual individual examination. Counts 10% of the final grade.

Part 2 - Mid-term examination - Three hour individual examination. Counts 20% of the final grade.

Part 3 - Term paper - About 25 pages. (Attachments can be added). Counts 30% of the final grade.

Both midterm exams are held in class. Both mid-term exams and the term paper must be passed in order to sit for the final exam concluding the course.

Part 4 - Final exam - Three hour individual, comprehensive, written examination. Counts 40% of the final grade. (Arranged by lecturer at the end of the term).

Notice: The midterm examinations may be given during late afternoon or evening hours.

### **Examination code(s)**

BØK 26201 - Process evaluation, counts 100% to obtain final grade in BØK 2620 Multinational Finance, 15 ECTS credits.

### **Examination support materials**

BI-approved exam calculator and interest rate tables. Applies for midterm exams and final exam.

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.  
<http://www.bi.edu/studenthandbook/examaids>.

### **Re-sit examination**

A re-sit is held in at the next scheduled exam in the course. Students who are taking new exam must take the course all over including all parts of evaluation.

### **Additional information**

Due to changes in our Bachelor Programmes from autumn 2009, there also will be changes in every single course. This course will be lectured for the last time spring 2011. Re-sit exam will be offered every term up to and even spring 2013.