



International Corporate Finance

Academic Year: **2020/2021**

2nd Semester

Level of curricular unit: Undergraduate (1st cycle, as defined in the Framework of Qualifications for the European Higher Education Area)

Instructor: Mário Meira

Contact and Office hours:

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Office: 5308

Office hours are scheduled by e-mail.

Biography:

Mário Meira holds a Ph.D. in Economics from Nova School of Business and Economics, an M.Sc in Economics from Católica-Lisbon School of Business and Economics and a BA (“Licenciatura”) degree in Economics from Católica-Porto School of Business and Economics. He has been teaching several finance and economic courses. In his previous professional experience he has worked as a consultant for institutions like the Portuguese Banking Association and other consultant companies.

Course overview and objectives:

This course covers issues in international corporate finance, i.e., the financial operations of a firm in a multinational environment, as well as relevant topics in international financial markets. The language of the course is English.

The main objectives of this course are:

- Understand the structure and functioning of the international capital markets.
- Understand the role of exchange rate risk in a firm’s international financial operations.
- Gain the ability to evaluate which risks to hedge and which to bear in a multinational setting.
- Be able to estimate the international cost of capital and used it in capital budgeting decisions.
- Understand the process of financing international financing operations.



Course Content:

1. Introduction to Multinational Firms
2. Interest rates and Exchange rates
3. Currency Futures, Options and Swaps
4. International Arbitrage and Interest Rate Parity
5. International Monetary Systems
6. Measuring and Managing Exchange Rate Risk
7. Capital Budgeting Decisions
8. Firm Valuation
9. The Cost of Capital for Foreign Investments
10. Cross-Border Valuation
11. Managing The Internal Capital Markets Of Multinational Corporations

Grading:

Grade = 42.5%Midterm + 42.5%Endterm + 15%Online Quizzes

* I reserve the right to adjust the final grade between -1 and 1 points.

- In order to pass the course, the student needs to have a final grade higher or equal to 9.50 and a score higher or equal than 7.00 in both the Midterm and Endterm exams. If the final grade is equal or higher than 9.50 but in the Midterm or Endterm exams the grade is lower than 7.00, the student needs to take the final exam.
- Students with a final grade between 7.50 and 9.50 can take the final exam.
- Students that take the final exam will have a final grade equal to the grade in the final exam.
- Students that take the final exam in order try to improve the final grade have 20 minutes to see the final exam and decide to do it or not. Students that already pass the course and decide to take the final exam could end failing the course.

Bibliography:

Shapiro, Alan "Multinational Financial Management".

Madura, Jeff "International Financial Management".

Code of conduct and ethics:



Católica Lisbon School of Business and Economics is a community of individuals with diverse backgrounds and interests who share certain fundamental goals. A crucial element to achieve these goals is the creation and maintenance of an atmosphere contributing to learning and personal growth for everyone in the community. The success of CATÓLICA-LISBON in attaining its goals and in maintaining its reputation of academic excellence depends on the willingness of its members, both collectively and individually, to meet their responsibilities.

Along with all the other members of our community, students are expected to follow professional standards and CATÓLICA-LISBON standards of Academic Integrity. Some details should be mentioned here: Please arrive on time for class with uninterrupted attendance for the duration of the class. Signing attendance sheet for anyone else in the class constitutes fraud and a violation of the CLSBE code of conduct. Use of computers and other electronic devices during the class is not allowed, unless expressly requested by the instructor of the course. Students who persistently act in a disruptive and disrespectful manner during the class session may be invited to leave.

Students are expected to behave at all times according to the fundamental principles of academic integrity, including honesty, trust, fairness, respect, and responsibility. In particular,

- a) In **individual graded assignments** of any type, students may not collaborate with others or use any materials without explicit permission from the instructor of the course;
- b) In **group assignments and reports**, all students listed as authors should have performed a substantial amount of work for that assignment;
- c) It is dishonest to fabricate or falsify data in experiments, surveys, papers, reports or other circumstances; fabricate source material in a bibliography or "works cited" list; or provide false information in other documents in connection with academic efforts;
- d) **Plagiarizing**, i.e. "to steal and pass off the ideas or words of another as one's own and or to use another's production without crediting the source" (Merriam-Webster Dictionary) is an Academic Integrity breach. It can be avoided by using proper methods of documentation and acknowledgement. Visit this guide for additional resources on how to avoid plagiarism in your written submissions <http://en.writecheck.com/plagiarism-guide>
- e) In **exams** students must not receive or provide any unauthorized assistance. During an examination, students may use only material and items authorized by the faculty. Use of smartwatches or other communication devices is not permitted during the exam.

Academic integrity breaches will be dealt with in accordance with the school's code of Academic Integrity: <https://www.clsbe.lisboa.ucp.pt/system/files/assets/files/academicintegritycode.pdf>