FI356 INTERNATIONAL FINANCIAL MARKETS AND INVESTMENTS

IES Abroad Madrid

DESCRIPTION:
The aim of this course is to give a broad picture about international financial markets and international corporate finance moving from the needs of the firm to the financial instruments available to cater to those needs. Subjects that are covered include: international demand for equity and debt financing; the international market for corporate control. The main goal is to offer both a clear framework and a set of operative tools to understand the relationship between firms and international financial systems. The whole structure of the course is applied, involves several real-world cases that are discussed in class, and is oriented to develop capabilities to understand and use international finance methodologies and practices used around the world

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: None

ADDITIONAL COST: None

METHOD OF PRESENTATION:

- Lectures
- Problem solving
- Excel programming (financial tools)
- Case discussion
- Top Executives Decision Making
- Ethical behavior doing business
- Business Plan

REQUIRED WORK AND FORM OF ASSESSMENT:

- Individual Assignments - 25%
- Individual Project - 20%
- Midterm Exam - 15%
- Final Exam - 40%

Course Element

Course Participation

Class participation is another key component of the course. Students' contributions should reflect their homework and thinking about the relevant topical issues.

Midterm & Final Exams

The mid-term and final exams will be open book. They will be taken in-class and may consist of short problems, questions in multiple choice, shot answer, or short essay format

Project

Students will work individually on the final project. The student will prepare a business plan for an international company. The objective of this coursework is to evaluate the data and to analyze and discuss the case study in the context of the underlying theoretical discussion. Written reports will be a 10-max page length. The earlier the assignment is handed in, the higher the grade.

Homework

Several assignments will be introduced randomly during the course. The earlier each assignment is handed in, the higher the grade.

LEARNING OUTCOMES:

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

- Quickly and effectively analyze the financial statements of any multinational corporation
- Master the time value of money and its application in complex financial scenarios
- Calculate relevant cash flows for international projects and companies
- Make decisions regarding the feasibility and profitability of foreign investments
- Optimize the leverage required in international projects
- Understand capital and debt markets, as well as the financial instruments traded within them
- Uncover the role of the international financial system and its significance in economies.

Which are the effects of international financial markets and institutions on the global economy? Will the economy improve in the future so that it is a good to time to invest in a specific asset? Which is the best strategy to finance a specific business?

This course provides answers to these kind of questions by examining how international financial markets and institutions work and how they affect our everyday life

By the end of the class, students will gain a broad understanding of the key issues in international finance and their relationship with the globalized world economy. Students will be able to identify the appropriate theoretical discussions and to evaluate their applications in the 'real world.'

The course will also focus on current events reported in the financial press by starting each class with an extensive class discussion of what has recently appeared in the Financial Journals and will use the analytic frameworks developed in class help us to understand these developments

ATTENDANCE POLICY:

As a member of our class community, you are expected to be present and on time every day. Attending class has an impact on your learning and academic success. For this reason, attendance is **mandatory for all IES Madrid classes**, including course-related excursions. Absences will only be excused in cases of documented medical or family emergencies. Any assessed work, including exams, tests, and presentations, will be rescheduled if the absence is justified; otherwise, it will be graded as 0. You are allowed a maximum of 1 unexcused absence for once-a-week courses and 2 unexcused absences for twice-a-week courses. Each additional absence will deduct 5 points from your final grade. **Accumulating 7 or more absences in twice-a-week courses, or 4 or more in once-a-week courses, may lead to a failing grade.** Students arriving more than 11 minutes after the scheduled start time will be marked as 'late.' Three 'late' arrivals will be counted as 1 absence. Any student arriving 30 minutes or more after the scheduled start time will be marked as 'absent.' For more information, please refer to the full Attendance and Punctuality Policy document.

CONTENT:

Choose an item	Content	Assignments
Week 1	**Introduction to the course**	• Slides and class material
Week 2	**Fundamentals of Business Valuation**	• Slides and class material • Video
Week 3	**Corporate Financing Overview**	• Slides and class material • Excel exercise

Choose an item	Content	Assignments
Week 4	**Fundamentals of Business Valuation and Other Equity Capital Raising Alternatives around the World: American vs. European Solutions**	• Slides and class material • Excel tool
Week 5	**M&A**	• Slides and class material • Excel tool
Week 6	**Midterm**	
Week 7	**Debt & Equity Capital Raising Alternatives around the World**	• Slides and class material • Excel tool
Week 8	**Global Financial Markets and How the Global Financial System Meets the Needs of Firms: ECM**	• Slides and class material
Week 9	**Global Financial Markets and How the Global Financial System Meets the Needs of Firms: DCM**	• Slides and class material • Excel tool
Week 10	**The Industry of Investment Banking within the International Financial System: The Market and the Major Business Areas**	• Videos, tools and assignments videos, tools and assignments
Week 11	**The Industry of Investment Banking within the International Financial System: The Market and the Major Business Areas**	• Slides, videos and tools
Week 12	**Course Review & Project**	
Week 13	**Final Exam**	

COURSE-RELATED TRIPS:

- None

REQUIRED READINGS:

- None

RECOMMENDED READINGS:

- Ross, S. Westerfield, R. Jafe, J. and Jordan, B. (2017) Corporate Finance. Core principles and applications (Fifth Edition). McGrawHill.
- Brealey, R., Myers, S. and Marcus, A. (2012) Fundamentals of Corporate Finance, 7th Edition. McGrawHill