

## ISSS

### Multinational Financial Risk Management

Contact hours

13

Credit points

1

Lecturer

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Topics

Learning outcomes:

- to understand variables influencing the movement of exchange rates
- to measure the impact of exchange rate movements on accounts payable and accounts receivable
- to determine how currency derivatives can be used to manage transactional risk
- to distinguish between alternative hedging techniques (money market hedge, forward hedge, options hedge)
- to measure foreign currency risk in multinational capital budgeting
- to understand the impact of restrictions on remitted earnings
- to utilize balance sheet risk management techniques to match currency inflows

Outline:

1. Exchange Rate Determination
2. Currency Exposure to Payables
3. Currency Exposure to Receivables
4. Currency Derivatives

	<p>5. Risk Management of Transaction Exposure</p> <p>6. Multinational Capital Budgeting Risk</p> <p>7. Restrictions on Remitted Earnings</p> <p>8. Financing with Foreign Debt</p>
References	Distribution of all reading material in class
Teaching methods	<ul style="list-style-type: none"><li>• lectures</li><li>• discussions</li></ul>
Grading	written exam (60 minutes)
Teaching language	English