International Accounting and Finance 2017-2018

Professor: Luz Parrondo
E-mail: luz.parrondo@upf.edu
Office hours: by appointment

Course Description

Accounting: The course provides the student with the needed skills to build, understand and analyse the Financial Statements of a company. Students will apply different methods in order to evaluate the firm’s financial situation. Additionally it delivers techniques to measure the cash flows and valuate the companies. It also provides students with the required tools to evaluate the company’s financing structure, the costs allocation systems and the implication of potential investments. Finally, students will have a better understanding of the working capital management as a key factor of the firm’s financial strength.


Objectives

The course pretends to give the student the needed skills to analyze the international financial environment, not only learning different techniques of the way to hedge the risks involved in the international financial transactions, but also to take profit of them. We must learn how profit from the internationalization of the enterprises in all the different aspects, including the financial one. Topics in financial management, viewed primarily from the perspective of managers doing business overseas, include the management of foreign exchange exposure, foreign direct investment decisions, and multinational capital budgeting. Other topics covered include trends in international banking, the balance of payments, the determination of exchange rates, and the Asian meltdown. We will also examine the challenges and problems faced by firms planning to do business internationally.

Methodology

Classes will consist in theoretical explanation supported by different cases and exercises to be developed in the classroom. Besides that, students will be responsible for solving for the following session several cases, exercises or tests as homework.

Note: This document is only informational, detailed contents and faculty may change.
Evaluation criteria

The weight on the Final Grade is as follows:

- 5% Class tests
- 15% Class tests and home exercises
- 40% Accounting exam (second term exam week)
- 40% Finance exam (third term exam week)

The final grade will average with taxation course (80% accounting and finance and 20% taxation)

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

As with all courses taught at the UPF BSM, students who fail the course during regular evaluation will be allowed ONE re-take of the examination/evaluation. Students who pass any Retake exam should get a 5 by default as a final grade for the course. If the course is again failed after the retake, students will have to register again for the course the following year.

In case of a justified no-show to an exam, the student must inform the corresponding faculty member and the director(s) of the program so that they study the possibility of rescheduling the exam (one possibility being during the “Retake” period). In the meantime, the student will get an “incomplete”, which will be replaced by the actual grade after the final exam is taken. The “incomplete” will not be reflected on the student’s Academic Transcript.

Plagiarism is to use another’s work and to present it as one’s own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at any UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic expulsion from the program.”

Calendar and Contents

Term: Second term and third term

Number of credits: 4.8 ECTS

Total number of hours committed: 48 h of class + 72 h of out-of-class work

Timetable: Second term: Fridays, 9.30-13.00  Third term Wednesdays 9.30-13.00

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1. **Part 1: Basics in Financial Accounting**
   1.3. Main Financial Statements
      1.3.1. Balance Sheet
      1.3.2. Income Statement
      1.3.3. Cash Flow Statement
   1.4. Working capital analysis
   1.5. Profitability and growth
   1.6. Credit risk analysis

2. **Part 2: Cost Accounting**
   2.3. Direct and Indirect Costs
   2.4. Variable and Fixed Costs
   2.5. Costs Allocation
   2.6. Break-even Costs

3. **Part 3: Environment of international finance economics**
   3.3. Introduction
   3.4. The Theory of Exchange Rate Determination
   3.5. The International Monetary System
   3.6. Parity Conditions in International Finance

4. **Part 4: The Currency and Derivative Markets**
   4.3. The Foreign Exchange Market
   4.4. Futures, forwards and Options on Foreign Exchange
   4.5. Swaps

5. **Part 5: Risk Exposure**
   5.3. Translation Exposure
   5.4. Transaction Exposure
   5.5. Economic Exposure

**Reading Materials/ Bibliography/Resources**

Accounting:

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Finance:
JEFF MADURA. International Financial Management.
ALAN C. SHAPIRO, PETER MOLES. International Financial Management

Bio of Professor

**Luz Parrondo**: PhD in Economics, Finance and Management awarded by Pompeu Fabra University (UPF). As a researcher, she specialises in the study of management and accounting, with particular focus on earnings management, risk management, corporate social responsibility, and entrepreneurship and gender studies. She is an accounting and finance Professor at UPF Barcelona School of Management. She has also given lectures at Toulouse Business School and IES Abroad. As a professional, she has worked as a Financial Controller (Mazel Ingenieros S.A.), and as a Financial and HR Manager (Modiss Iluminación S.L., Acquamedia Technologies S.L.). She is currently a freelance financial consultant for SMEs.