

| SUM18 | INTERNATIONAL CORPORATE FINANCE |
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| Course leader | Thomas Lindner (WU Vienna) https://www.wu.ac.at/iib/iib/team/faculty/lindner |
| Course description | Course description: This course introduces students to the challenges and opportunities firms face in international financial markets. The course investigates how firms can manage exposure to different forms of risk resulting from international operations. First, the course covers means of valuing and managing investments in foreign countries. Second, we look at the integration of capital markets and challenges firm face when issuing securities abroad. Third, we investigate how firms can navigate different tax and institutional regimes to optimize capital structure and the allocation of profits to business units. Taken together, the course is designed to prepare students to answer questions about strategic implications of internationalization using tools based on financial analysis. |
| Course objectives | In this class, students learn 1. how to manage exposure to country risk 2. how to evaluate projects in foreign countries 3. how to design international corporate structure to maximize firm value 4. how firms can handle different international tax regimes 5. how firms can finance foreign expansion |
| Course topics | 1. Conceptualizing and measuring country risk 2. Market entry strategy 3. Capital asset pricing model 4. Discounted dividend model 5. International valuation 6. Tax shields 7. Capital structure 8. IFRS basics 9. Transfer pricing 10. Consolidation and financial reporting |
| Learning methods | Students have access to instruction materials and exercises for the full duration of the course. Student time is split into 50% learning sessions and 50% group discussion and feedback sessions. |
| Assignments | One reading assignment before the class starts, a case study for session 3, and another reading assignment for session 4. |
| Evaluation | Final exam (100%) |
| Bibliography / Course material | Case: Globalizing the Cost of Capital and Capital Budgeting at AES (HBS case: https://hbsp.harvard.edu/product/204109-PDF-ENG?itemFindingMethod=Search). Paper 1: Agmon, T. (2006). Bringing financial economics into international business research: Taking advantage of a paradigm change. <i>Journal of International Business Studies</i> , 37(5), 575-577. Paper 2: Blass, A., & Yafeh, Y. (2001). Vagabond shoes longing to stray: Why foreign firms list in the United States. <i>Journal of Banking & Finance</i> , 25(3), 555-572. |
| Number of credits | 4 ECTS; 2 US |
| Course schedule | 1/ During the first lesson, the teacher will give you more information about the additional work to complete outside live sessions. 2/ Please note that you are expected to attend at least one live session during the day. For your information, live sessions will be recorded and each one of them will be followed by time for questions and answers. Wednesday off due to bank holiday Class 1 Introduction to international finance and country risk Class 2: International capital budgeting Class 3: Case study on international capital budgeting Class 4: Taxes and capital structure in the multinational firm Class 5: International taxation and financial reporting |