

COURSE OUTLINE**Business Administration 178
Introduction to International Finance****I. Catalog Statement**

Business Administration 178 is a study of international business financing and development, including the roles of different types of lenders, domestic and foreign government assistance programs, various methods of payment, identifying and managing risk in the international financial arena, and tax considerations.

Units – 3.0

Lecture/Demonstration Hours – 3.0

Recommended Preparation: BusAd 101 and 170, or equivalent.

Course Entry Expectations

Skills Level Ranges: Reading 5; Writing 5; Listening-Speaking 5; Math 3.

III. Course Exit Standards

Upon successful completion of the required course work, the student will be able to:

1. apply the basic principles and tools of finance to the global context;
2. identify the sources and types of financing the international business operations, including the governmental trade or finance assistance programs, and tax considerations;
3. evaluate and manage the risks associated with international financial operations.

IV. Course Content**Total Contact Hours = 48**

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| A. Growth and Development of Financing International Business | 6 hours |
| 1. History of trade | |
| 2. Expansion of banking for international commerce | |
| 3. Foreign Direct Investment (FDI) | |
| 4. International sources of funds | |
| 5. International Monetary Fund (IMF) and the World Bank | |
| 6. Eurocurrency | |
| B. Financing Sources | 6 hours |
| 1. Internal cash flow (letters of credit, banker's acceptances) | |
| 2. External working capital loans and public sector support | |
| 3. Buyer credit assistance | |
| 4. "Off-Balance Sheet" financing | |
| C. Types of Financing | 6 hours |
| 1. Equity financing: limited partnership, strategic alliances, joint ventures, venture capital | |
| 2. Credit schemes | |

- D. Types of Lenders 6 hours
 - 1. Commercial banks and brokers
 - 2. Non-bank lenders
 - 3. Supplier credit
 - 4. Government and quasi-government lenders

- E. Government Trade and/or Finance Assistance Organizations 6 hours
 - 1. Federal: Export-Import Bank of the United States (EXIM & FCIA) and others
 - 2. State: California Export Finance Office (CEFO) and others
 - 3. Local
 - 4. Multinational: Foreign export-import and development bank, World Bank, etc.

- F. Tax Considerations 6 hours
 - 1. Foreign Sales Corporations (FSCs)
 - 2. Domestic international sales corporation
 - 3. Duties and excise taxes
 - 4. Transfer pricing
 - 5. Foreign income taxes

- G. International Methods of Payments and Collections 6 hours
 - 1. Cash in advance
 - 2. Letters of credit, documentary collections and banker's acceptance
 - 3. Open account
 - 4. Countertrade
 - 5. Forfaiting (third country credit factoring and insurance)

- H. Identifying and Managing Risk 6 hours
 - 1. Exporter non-performance
 - 2. Foreign buyer non-payment
 - 3. Political environment
 - 4. Currency exchange rates and devaluation
 - 5. Insurance considerations
 - 6. Government guarantees

V. Methods of Presentation

The following instructional methodologies may be used in the course:

- 1. lectures and discussions;
- 2. multimedia;
- 3. group activities;
- 4. online.

VI. Assignments and Methods of Evaluation

- 1. Written examinations.
- 2. Case studies and projects (e.g. financial reports and analyses of Sony, MacDonald's, Nokia, Microsoft, Toyota, etc.).
- 3. Essays (summaries of articles in International Trade magazines, newspaper articles, and Internet articles).
- 4. Final examination.

VII. Textbook

Pilbeam, K. International Finance. Current ed.
New York: Palgrave Macmillan Publishing, 2006.
11th Grade Textbook Reading Level. ISBN: 10: 140394837.

VIII. Student Learning Outcomes

Upon successful completion, the student will be able to:

1. apply the basic principles and tools of finance in a global context;
2. identify the sources and types of financing for international business operations, including the governmental trade or finance assistance programs, and tax considerations;
3. evaluate and manage the risks associated with international financial operations.