

**THE OPEN UNIVERSITY OF TANZANIA**  
**FACULTY OF BUSINESS MANAGEMENT**  
**MASTER OF BUSINESS ADMINISTRATION**  
**OFN 604: INTERNATIONAL BUSINESS FINANCE**  
**COURSE OUTLINE**

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**A: COURSE CONTENT**

**1. Globalization / Internationalization**

- International Business Development
- International Trade Volume vs. Production
- Growth of International Financial Transactions
- International Marketing and Competitions
- Global Business Strategies

**2. International Trade Theory and Policy**

- Mercantilist Theories
- Comparative Advantage Theories and Gains from Trade
- Economic Efficiency and Comparative Advantage
- Factor Substitution and Ricardian Model
- Factor Substitution and Heckschar – Olin Model
- Imperfect Competition and International Trade
- Evolution and Uses of Trade Policies

**3. International Trade Settlement and National Accounts**

- The Concept of Balance of Payments
- Balance of Payment Statements (uses and applications) and Analysis
- Balance of Payments: Policy Decisions and National Liquidity
- Third World Indebtedness

**4. Managing International Business Finance Risks**

- Managing Risks and term structure of interest rates and bonds
- Volatility and Maturity of Bond Prices
- Pricing of Risky financial assets
- Structure and Performance of Securities

**5. Managing Money and Capital Markets**

- Investment in Financial Securities
- Operationalisation of the markets
- Managing bank related Securities

- Managing Corporate Securities
- Managing Mortgage Securities
- Managing Money and Stock Prices
- Foreign Exchange Markets

## 6. International Financial Markets

- Managing Foreign Exchange Exposure
- Managing Financial derivatives
- Managing Spot and Forward Rates
- Hedging risk exposures

## 7. International Financial Strategies

- Corporate Restructuring
- Corporate Mergers, Partnership and Joint Ventures
- Value Creation of a firm
- Cash flow Management Techniques
- Short and Long term Financial Plans

## 8. Managing Multinational Enterprises Profitability

- Evaluation of Tax and No-fiscal incentives
- Avoidance of double taxation
- Cost of Money Decisions
- Equity and Credit evaluations
- Transfer Pricing Practices
- Accounting and Financial Practices

## B: COURSE ASSESSMENT

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| ▪ Continuous assessment                          |             |
| ○ Term paper (mini research paper) assignment    | 30%         |
| ○ 1 Term test                                    | <u>20%</u>  |
|  | <u>50%</u>  |
| ▪ <u>Final Examination</u>                       | <u>50%</u>  |
| ▪ <b>Total Course Work and Final Examination</b> | <b>100%</b> |

## C: RECOMMENDED READINGS

1. Trade & Specialization; *By Findlay, Ronald*
2. The Finance of International Business; *By Bian Kettell*
3. International Finance: The Markets & Financial Management of multinational Business; *By Maurice D. Levi.*
5. International Trade & Finance, *By Marcus & Mildred Rendl Marcus*
6. The Challenge of International Finance; *By Guenter Reimann & F Wigglesworth*
7. International Finance for Multinational Business; *By Nehrt, Lee Charles*
8. The Balance of Payments: By Theory & Economic Policy; *By R.M. Stern*, Aldine Publishing Company (NY) USA

9. International Economics, *By Kennen, Peter B.*
10. Challenges to Liberal international Economic Order; *By Tyan C. Amacher, Gottfried & Thomas D. Willet Harberler.*
11. International Economic policy: “Theory and Evidence”; *By Rudinger Dornbursch & Jacob A. Frensil*
12. International Business Management; *By Richard Robinson* , Dryden Press.
13. International Business Management: “A conceptual framework”: *By Fayerweather, John*
14. The Multinationals; *By Tungendhat, Christopher*
15. The International Economy; *By Peter B. Kennen.*
16. Money in multinational Enterprises; A study of Financial Policy *by Sidney M Robins and Robert B. Stoubaugh.*
17. Tax Incentives for Investment and Expansion *by Margareth Fordham*