



STUDY GUIDE

MSc International Finance

CERAM BUSINESS
SCHOOL
NICE - SOPHIA ANTIPOLIS

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www.globalfinance.org

Year 2007/2008

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Introduction

Dear MSc Student,

First, we all extend you a warm welcome to CERAM Business School! We shall do the utmost so that you will enjoy your studies at CERAM and your life on the French Riviera. We will provide you with all the necessary support to ensure your success in your studies. You will find that the upcoming year is demanding academically or you may, as international students, experience the challenges of living abroad and being confronted to a different culture. You must get ready to tackle these difficulties together, learn from each other, and support each other. This attitude will be a key to the success of your academic year.

Before beginning this semester, please start with reading this study guide carefully; we have gathered some information that will be of assistance to you throughout the year. You will find program and course descriptions as well as general information concerning the school. The program of each course, the CV of your professors and the actual content of each the finance courses as well as many students' reports in finance are available on the Global Finance Chair's website: www.globalfinance.org

Should you need further information or any help, please feel free to contact Sandrine Charron, MSc Programs Coordinator (+33 (0)4 93 95 44 19) for academic questions and Alexandre Kane (+33 (0)4 93 95 44 12) at the International Office for other practical information.

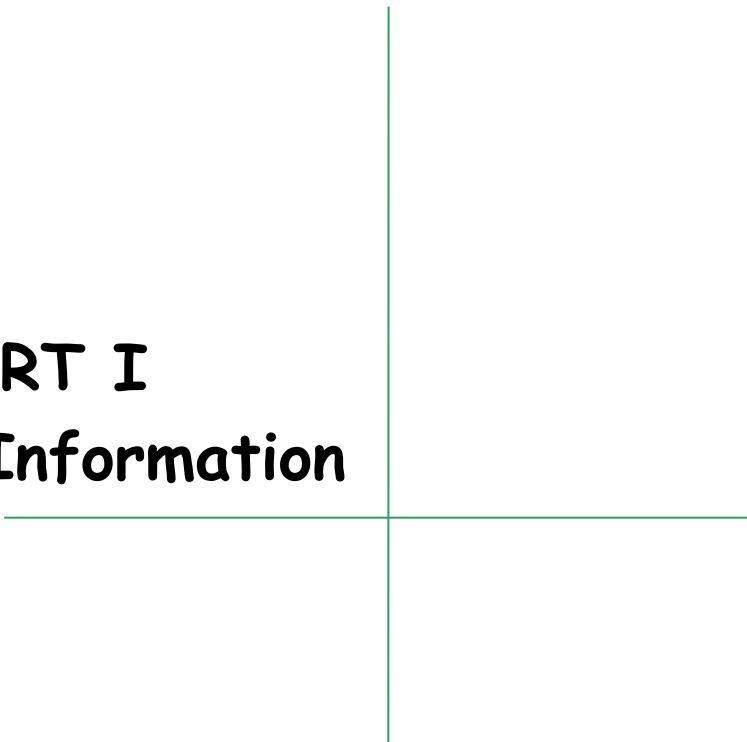
We wish you all the best for the coming year.

Sincerely yours,

The MSc Programs Team

PART I

General Information



About CERAM Business School

Address and Contact:

CERAM Business School
60, Rue Dostoïevski
B.P. 085
06902 SOPHIA ANTIPOLIS Cedex
France

Tel: 0 820 424 444 * from France or abroad.

When calling from abroad, if you have problems with this number, please dial 00 33 489 889 824*
(*0.12 €/min)

Your contacts:

Dr Michel-Henry BOUCHET
Program director of the MSc in International Finance
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Programs Coordinator
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Fax: +33 (0)4 93 95 44 29
E-mail: sandrine.charron@ceram.fr

Alexandre KANE
International Office
Room: 326 - CERAM 1
+33 (0)4 93 95 44 12
E-mail: alexandre.kane@cote-azur.cci.fr

Opening/Closure of University:

The dates for the academic year are as follows:

Start of 1st semester: September 13th 2007 (Orientation Day)

End of 1st semester: December 21st 2007

Start of 2nd semester: January 7th 2008

End of 2nd semester: April 18th 2008

Dissertation project: until August 31st 2008

CERAM Business School is closed one week for Christmas and New Year, from December 22nd 2007 to January 2nd 2008 and two weeks in summer, from August 4th to August 17th 2008. Access is not possible during this period.

Global Finance

www.globalfinance.org

The mission of **CERAM's Global Finance Chair** is enhancing international finance basic and applied research. The Chair has been active over the last eight years, and it brings together today more than fifteen finance professors with a strong operational background in the international banking industry, investment fund management, risk analysis, and corporate finance.

You will find on the Global Finance website all the MSc courses, faculty profiles, research papers, syllabus, past quizzes and research projects.

Library/Médiathèque

The Médiathèque staff: Patricia Laronze, Eve-Line Boule and Carmen Mangold, will be pleased to welcome students. The Library is located on CERAM 2 second floor. On line <http://mediatheque.ceram.fr/>, you can find thousands of details, a quick overview and take a virtual tour. The opening hours are from 9h to 17h30 on Monday, Wednesday and Friday and from 9h to 19h on Tuesday and Thursday.

You can contact the library via email mediatheque@ceram.fr

You should have received a brochure with all the information and registration forms for the library. Just as a reminder, the deposit is 150 euros per year to be paid either by cheque or by card (VISA, EURO and MASTER are accepted) to open rights at the library.

A few rules must be followed at the library: remember to respect the silence; no food nor drink; mobile phones must be switched off; book loans are personal.

Workshops about the library are on offer all year round as well as on demand.

Webintec

<http://webintec.ceram.fr/>

Webintec, the elearning laboratory of CERAM Business School, offers more than 400 courses online.

Webintec is user friendly and will help you all year. All kinds of information are provided; you can find the courses and all the sessions, various information about courses, lecturers, programs and schedules, and you will have the opportunity to chat on line with other students. Most of your professors will use Webintec as a course resource. It is an integral part of your learning experience.

The Webintec student guide is available at the Program Coordinator's office.

For more information about Webintec, please contact

Melanie Ciussi: melanie.ciussi@cote-azur.cci.fr

About the MSc International Finance

The MSc International Finance is designed with two objectives in mind. Firstly, the MScIF's mission is to educate students in a personalized academic environment for success in finance business by giving the student practical expertise in the key fields in this area, including Corporate strategy, Risk management, Investment banking, or Derivative products management. Secondly, to teach these professional skills within a global macro-economic and financial environment, with market-oriented courses such as International Finance, Advanced global risk management, and Country Risk Analysis, coupled with seminars and conferences held by keynote market specialists.

Two partner establishments run the MSc International Finance program: The University of Westminster – U.K. (UOW) and CERAM Business School. The program, taught entirely in English lasts one year starting in September and finishing end of August. Entry Criteria for this program is a Bachelors honours degree or equivalent (preferably in finance economy or a related subject) and fluent English (proven by an internationally accredited exam, TOEFL, TOEIC etc).

Courses are taught by professors who, as well as having strong academic backgrounds, are also professionals in the field of Finance. This provides students with up to the minute knowledge of new developments in the financial arena and real insight into the effects of these developments. The courses are also complemented by various conferences given by full time, high-calibre professionals from entities such as the European Central Bank, the World Bank and the International Monetary Fund, Rothschild, Lehman Brothers, HSBC, ABN Amro etc.

Throughout the year, you will be expected to develop professional contacts, get access to information from various resources, and learn from each other. Indeed, one of the strongest assets of this program is the opportunity for cross cultural interactions and learning.

Grading & other procedures

Grading procedures and ECTS credits:

ECTS (European Credit Transfer System) requires a total of 90 credits per year: 60 credits are for the courses and 30 for the dissertation project.

ECTS recommends an overall distribution of grades from A to E for passing students. In all assignments the following system will be used, as well as for the final grade.

A = Excellent

B = Very Good

C = Good

D = Satisfactory

E = Pass

FX = Fail = Insufficient

FX students will be given an opportunity to take an extra test or paper or project to pass the class.

F = Fail = Very Insufficient

F is a grade for students who failed a course or the dissertation project and/or who have not attended class. In this case, students are required by the instructor to take the whole course again (elsewhere with a credit exchange agreement or at CERAM the following year) in order to pass. These students must be enrolled officially as "students" in the School.

In which case, additional school fees will be requested (100 euros per credit for a course – 1500 euros for the dissertation project).

ESC students registered in “Double diplôme MSc” need to transfer all MSc course credits to be graduated. In case of an F, graduation will not be possible.

Program requirements:

Attendance is required in all courses. Occasional absences must be documented or agreed upon by the program director.

If this is not respected, you will be graded “Fail” for this course on your transcript; even for the 0 credit courses such as French language or Workshop-Job Hunting courses.

Please note that some courses may be rescheduled; that is why you are requested to be continually available during the two first semesters.

You have to choose your elective courses at the beginning of the semester. A registration sheet will be delivered to you at the Orientation Day; you will have to fill it in and give it back to the Program Coordinator before the start of the semester.

You will not be able to drop an elective course after 2 class sessions.

NB: We reserve the right to close an elective for lack of students

We inform you that elective courses can be cancelled in the event of low enrolments. Under 15 students, the Direction reserves the right to close the elective.

Study abroad opportunities:

You have the possibilities to participate to exchange programs with the University of Westminster. **Only 10 students can go to Westminster.** That's why students have to take an exam at the end of November: top 10 have the possibility to go to Westminster.

For the students who are willing to participate, please contact Dr Michel-Henry BOUCHET and Sandrine Charron for further information.

Internship: "convention de stage"

Directors recommend students with little professional experience to complete an internship in a public or private organization for a minimum of **3 months**.

Ideally you should work on a specific mission or project that will be related to your dissertation topic.

Internship agreements (conventions de stage) must be established. They are delivered by the Bureau des Stages (CERAM 1). You must have your internship approved by the Program director and then contact Mrs Maryline Combes +33(0)4 93 95 45 24 to receive the internship agreement/convention de stage form.

The internship must be completed by September, 30th 2008, with regards to the Social Security rules and coverage.

PART II
Course Description



Curriculum Structure

Master of Science in International Finance CERAM Business School - 2007-2008 Academic Year

Semester 1 – Autumn Semester , September – December 2007

Required Courses:	ECTS credits
➤ <i>CORPORATE FINANCE (MIF.G.F278)</i>	6 credits
➤ <i>INTERNATIONAL FINANCE (MIF.G.F280)</i>	6 credits
➤ <i>QUANTITATIVE METHODS FOR FINANCE (MIF.G.F875)</i>	6 credits
➤ <i>OPTIONS, FUTURES AND OTHER DERIVATIVES (MIF.F.F176)</i>	6 credits
➤ <i>DERIVATIVES PRODUCTS MANAGEMENT (MIF.G.F545)</i>	6 credits
Elective Courses:	
➤ <i>SOFTWARE PROGRAMMING LANGUAGES (MIF.G.F637)</i>	6 credits
➤ <i>INTRODUCTION TO ECONOMICS</i>	6 credits
➤ <i>WORKSHOP – Job Hunting Skills and Techniques (MIF.G.M678)</i>	0 credit
➤ <i>FRENCH COURSE</i>	0 credit

Semester 2 – Winter Semester, January – April 2008

Students must choose a total of five courses including Research Methods, two of these courses must be from the list of required courses and two from the list of elective courses.
3 Required Courses: either Advanced Global Risk Management or Fixed Income + International Financial Strategy + Research Methods

Required Courses:	ECTS credits
➤ <i>RESEARCH METHODS (MIF.G.F283)</i>	6 credits
➤ <i>INTERNATIONAL FINANCIAL STRATEGY (MIF.G.F279)</i>	6 credits
➤ <i>FIXED INCOME (MIF.G.F596)</i>	6 credits
or	
➤ <i>ADVANCED GLOBAL RISK MANAGEMENT (MIF.G.F175)</i>	6 credits
Elective Courses:	
Students may choose two courses from the following list:	
➤ <i>FIXED INCOME (MIF.G.F596)</i>	6 credits
➤ <i>COUNTRY RISK ANALYSIS AND EMERGING MARKETS (MIF.G.F186)</i>	6 credits
➤ <i>INVESTMENT BANKING (MIF.G.F597)</i>	6 credits
➤ <i>ORGANISATION & DYNAMICS OF FINANCIAL SYSTEMS (MIF.G.F177)</i>	6 credits
➤ <i>FRENCH COURSE</i>	0 credit

Semester 3 – Spring Semester, April – August 2008

➤ <i>DISSERTATION PROJECT (MIF.G.F932)</i>	30 credits
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Course Summaries

I – REQUIRED COURSES, SEMESTER 1

CORPORATE FINANCE

This course provides the link between corporate finance and market finance. It deals with the consideration of time in financial decision making, the concepts of interest rates and yields, the valuing of the principle financial assets (shares and bonds) and investments as well as the main equilibrium models. This course will provide an introduction to the tools, techniques, and concepts of financial management, including the time value of money, risk analysis, the theory of valuation, capital budgeting, cost of capital, and capital structure. The course emphasizes an understanding of the functioning of financial markets within which investment and financing decisions are made.

Lecturer: Barbara PETITT

INTERNATIONAL FINANCE

The past 25 years have been marked by the globalisation of economic, financial, commercial, and investment activity. This course acquaints the student with the highly volatile economic and financial environment and equips him/her with the tools and techniques necessary to manage the related risks and opportunities. The course deals with such issues as balance of payments adjustment, exchange rate management, the international financial architecture, the institutional evolution of the capital markets as well as the supervisory role of the Bretton Woods organisations. The course will be concluded with a group project tackling one of the subjects covered during the term.

Course grading: Attendance & Oral presentation 30% - Mid-term 30% - Final Project 40%

Lecturer: Michel Henry BOUCHET

QUANTITATIVE METHODS FOR FINANCE

The objective of this course is to provide students with the necessary tools for applying quantitative methods for financial decision making. On completion of this module, students should be able to select and apply appropriate quantitative techniques to a range of problems that are likely to be encountered in the international financial context. The course takes the form of an intensive seminar.

Course grading: Final Exam 100%

Lecturer : David HAMPTON

OPTIONS, FUTURES AND OTHER DERIVATIVES

This course is an introduction to derivative security markets. The goal of the course is to develop a core set of principles that will help you make sense of the diverse ways derivatives are used in practice. These principles are developed through a series of real-world examples with an emphasis on simultaneously developing intuition and familiarity with a broad spectrum of markets and institutions. The valuation and use (e.g., hedging and speculation) of forwards, futures, swaps, and options will be a focal point of the course.

Course grading: Quizz 15% - Quizz 15% - Mid-term 30% - Final Exam 40%

Lecturer: Tarek AMYUNI

DERIVATIVES PRODUCTS MANAGEMENT

This course will deal with risk hedging mechanisms from the stand-point of the corporate manager. The aim of the course is to help students understand the interaction between the corporate firm, the risk of financial exposure and the adequate risk mitigating strategy. Upon completion of this course, students should be able to understand the links between balance sheets, profit and loss accounts and financial market risks.

Course grading: Class participation 10% - Weekly quizz 40% - Final Exam 50%

Lecturer: Franck CIOSI, CFM Monaco

II – ELECTIVE COURSES, SEMESTER 1

SOFTWARE PROGRAMMING LANGUAGES

The course is designed to give the student a firm grasp on programming in VBA for Excel, whilst giving an overview of other important software languages in common use. VBA has become a main programming language within the financial industry. This course sets out to allow the student to master programming VBA for multi-uses. Other languages are presented by groups within the class, thus giving an overview of these languages compared to VBA. Languages presented are: C++, C#, .Net, VB, Java, Oracle, Access, Linux, Operating Systems, Eviews, Matlab and SPSS.

Course grading: Individual presentation 30% - Group project 70%

Lecturer: David HAMPTON

INTRODUCTION TO ECONOMICS

This course is intended to provide a basis of factual knowledge of key economic concepts and their applications in general, to facilitate understanding of the operation of an economy, both at micro and macro levels and finally to develop an appreciation of concepts which will help better understanding of the operation of the financial sector and institutions.

Course grading: Individual presentation 30% - Exam 60% - Participation & attendance 10%

Lecturer: Harvesh SEEGOLAM

WORKSHOP – Job hunting skills and techniques

This is a practical workshop to prepare students to enter the job market. The workshop aims to give students the necessary tools and confidence to find an internship and/or first job after the program. Although the professor will provide guidance, advice and support to students, the onus is on the students themselves to find a job and contacts : attendance of this workshop does not guarantee that students will be successful in their job hunting or search for an internship. Students will be expected to participate actively in the workshop : to contribute to class discussions and take part in role plays and practice sessions and to do research and presentations for the benefit of the group. Each student will review and if necessary adapt their own CV, and learn to write appropriate cover letters. Although the workshop will place particular emphasis on the local employment market of the French Riviera and Monaco and also the British market, the European and worldwide markets in general will also be covered.

Cours grading: Attendance 30% - Workshop 70%

Lecturer: Tracy JONES

III – REQUIRED COURSES, SEMESTER 2

RESEARCH METHODS

This course will help students prepare for writing their dissertation by providing them with the skills and tools to successfully conduct or manage, step by step, a piece of business research destined for use in resolving specific business problems or for critical strategic decision making useful for both entrepreneurs creating new ventures and to managers in existing firms. In recent years, the huge increase in available business, and economic, information through the Internet and other sources, combined with recent releases of powerful analysis software, provides exciting and sophisticated new means of accessing and analysing data. This course will help participants understand the role of research, how to analyse the business problems to be solved in order to design the research project, how to undertake the research, and how to interpret and present the results. The course will introduce the basics of quantitative and qualitative research. It is intended to be a practical course, with an emphasis on how to conduct research to real make business decisions. Using case studies, classroom exercises and real-world research, students will select the appropriate research methods, apply the appropriate analytical tools, and present research results designed to help managers make ‘best choice’ business decisions.

Course grading: Statement of problem (individual) 20%, Annotated bibliography (individual) 20%
Research Proposal (individual) 30%, Participation 30%

Lecturer: Gabriele SUDER

INTERNATIONAL FINANCIAL STRATEGY

This course deals with the application of modern financial theory to questions of corporate financial strategy in an international setting. At the end of this course the student should have a solid grasp of the financial problems facing an international corporation and a good understanding of the most advanced practical tools used for financial decision making, such as the option pricing theory.

Course grading: Project 40% - Presentation 30% - Class Submission 30%

Lecturer: Sundar VENKATESH

FIXED INCOME

"Bonds are tradable instruments (debt securities) which are issued by a borrower to raise capital. They pay either fixed or floating interest, known as the coupon. As interest rates fall, bond prices rise and vice versa". This is the generic definition of a debt instrument. This class will first introduce the different existing debt instruments, then teach their use in the financial markets finally leading to the interpretation of the yield curve and its meaning in the financial markets. The class will keep up with weekly reports on the US, European and Japanese bond markets and their implication on the financial markets. The course will include topics such as :Securities and instruments, Credit analysis, Fixed Income portfolio management, International Bond Investing, Interest rate determinants and interest rate forecasting, Interest rates swaps, High Yield bond portfolios, Credit Default Swaps (C.D.S.) Managing Risk with Interest rate Futures, Understanding duration and volatility, Zero coupon securities, Corporate to Treasury yield spread analysis, Analysis of bonds with embedded options, Interest rate derivatives.

Course grading: Quizzes 30% - Mid-term 30% - Final Exam 40%

Lecturer: Tarek AMYUNI

ADVANCED GLOBAL RISK MANAGEMENT

Core concepts covered include valuation of forwards and futures, binomial pricing of options, the Black-Scholes option pricing formula, dynamic delta-hedging, Monte Carlo valuation techniques, and swap pricing. The course will also include a further analysis of the Capital Asset Pricing Model (CAPM) and the Value at Risk (VAR). We will discuss cases where the use of risk management was vital for the survival of the business strategy.

Course grading: Group presentation 50% - Two individual reports 50%

Lecturer: David HAMPTON

IV – ELECTIVE COURSES, SEMESTER 2***FIXED INCOME***

"Bonds are tradable instruments (debt securities) which are issued by a borrower to raise capital. They pay either fixed or floating interest, known as the coupon. As interest rates fall, bond prices rise and vice versa". This is the generic definition of a debt instrument. This class will first introduce the different existing debt instruments, then teach their use in the financial markets finally leading to the interpretation of the yield curve and its meaning in the financial markets. The class will keep up with weekly reports on the US, European and Japanese bond markets and their implication on the financial markets. The course will include topics such as :Securities and instruments, Credit analysis, Fixed Income portfolio management, International Bond Investing, Interest rate determinants and interest rate forecasting, Interest rates swaps, High Yield bond portfolios, Credit Default Swaps (C.D.S.) Managing Risk with Interest rate Futures, Understanding duration and volatility, Zero coupon securities, Corporate to Treasury yield spread analysis, Analysis of bonds with embedded options, Interest rate derivatives.

Course grading: Quizzes 30% - Mid-term 30% - Final Exam 40%

Lecturer: Tarek AMYUNI

COUNTRY RISK ANALYSIS AND EMERGING MARKETS

Country risk is a broad concept that comprises an underlying combination of economics, finance, geopolitics, sociology, and history issues. As the new global economy raises the level of uncertainty and complexity for the international firm's cross-border strategy, country risk analysis has become today an essential component of strategy decisions regarding export, investment, partnership, mergers, as well as takeovers. The course aims at providing students with a solid understanding of the concepts, historical perspectives, theoretical debates and methodologies surrounding country risk assessment in the global economic system. Risk analysis and forecasting will be approached as management tools. The course is to be composed of lectures, case studies, briefings by group mates, and debates with country risk experts. At the end of the three-month course, the students will be expected to gauge the risks and opportunities of financial globalization regarding emerging markets.

Course grading: Attendance & Oral presentation 30% - Mid-term 30% - Final Project 40%

Lecturer: Michel Henry BOUCHET

INVESTMENT BANKING

This course aims at enabling students to acquire a sound knowledge of the international banking industry and a capability to analyse it. They will become familiar with the principal institutional « actors » in the international banking world today, their structures and their strategies. The main types of contemporary banks will be studied, with a special emphasis on the recent evolution of Investment Banks and, secondarily, Commercial Banks.

Special attention will be given to the analysis of the present situation and strategies of the Investment Banking industry as well as the most probable developments in the near future.

Course grading: Attendance and Case Study 35% - Mid-term 30% - Final Exam 35%

NB: Each student MUST have from the beginning of the very first class, a financial calculator that can do Internal Rate of Return/Net Present Value/Discounted Cash Flow, etc.

Lecturer: Michael PAYTE, Europe Chairman IAFE

ORGANISATION & DYNAMICS OF FINANCIAL SYSTEMS

This course covers the following topics: **the Financial System Organisation** (the determinants of the financial system, its objectives, the role of the financial system players) and **the Financial System Dynamics** (driving forces of change, technology of financial system, product innovation, infrastructure...).

After the course you should be able to: Understand the organisation of the financial system, Analyse the drivers affecting the organisation of the financial system, Explain the evolving role of the different actors, Explain the interactions among the different players, Apprehend new technology and innovations, Anticipate their impacts on the financial system.

The course will be conducted in a mix of interactive lectures, individual presentations, team work presentations using as much as possible technology tools and case studies from practitioners.

Lecturer: Arnaud LECONTE, Wall Street System

Dissertation project

General information about the dissertation project:

For the dissertation, you must arrange to have an individual supervisor with specialist expertise to help and guide you. The supervisor must be member of the permanent or affiliate faculty of CERAM; otherwise the Program director must approve the supervisor.

During the second semester, prior to the research study, you will discuss your ideas with the prospective supervisor. As future project managers, you have to approach the dissertation process professionally, focusing not only on the outcome, but also on scheduling, organizing data collection, and so on.

Subject:

The subject of the dissertation is to be negotiated between the supervisor and you, with final approval from the Program director. You will choose a subject, which you wish to investigate further. The choice of subject is generally up to you, although it will be approved for its feasibility and suitability, employing approaches learned in the program. The Program director in can propose topics to students. In addition, you may decide to look for an internship as a complement to the dissertation project. In this case you would ideally be located within a business enterprise or other organization, at a managerial level.

Please note that you can do an internship with an organization anywhere in the world, provided the supervisor approves the project before the end of the second semester. You will also need to make clear agreements with the supervisor about the method and frequency of communication, the time schedule and the supervision during the project.

Submission: Deadline for dissertation project, August, 31st 2008

You must submit **two bound copies** (printed on one side!) and an electronic copy of your work on CD-Rom to the Program coordinator, post marked by August, 31st 2008. Any projects submitted after this date will incur penalties for late submission.

Extensions can only be granted in exceptional circumstances such as serious illness/accident, etc. A request form for extension should be filled in and submitted to the program director with the appropriate medical certificates. Please note that a student requesting an extension longer than 2 weeks after the deadline for submission will be unable to graduate in 2008.

In the event that a dissertation does not satisfy the program's requirements or is not submitted (F grade), the student will not be awarded the MSc diploma. The student can then choose to enrol again at CERAM to redo their dissertation. In which case, additional school fees will be requested (1500€).

A student who has completed his/her course work but not the dissertation can request a CERAM certificate of completion for the completed courses.

Plagiarism:

As the faculty reads some of the work written by students, they realize that some use other people's work without giving them proper credit. This is called plagiarism and it **should not** happen. "Plagiarism is using others' ideas and words without clearly acknowledging the source of that information." (See websites below). It is easy and tempting to cut a sentence or more from a website, or copy it from a book or company document and paste it into your papers without actually giving credit to the source of your information. Clearly, this is not appropriate: It is cheating and the faculty is prepared to severely penalize students who do that. Please read the information provided on the two sites below:

<http://www.indiana.edu/~wts/pamphlets/plagiarism.shtml>

http://owl.english.purdue.edu/handouts/research/r_plagiar.html

We hope this will help you for your courses as well as for your dissertation. All professors are aware of this problem and will react accordingly should they find it in your work.