

International Financial Management

Example of Group Project

You should work in groups of between 5 and 7 and should choose your own group members. It is your individual responsibility to ensure that you are a member of a group as the work involved is too much for an individual to undertake. If you do not participate in a group you will nevertheless be expected to complete the assignment on your own. The report should be between 2,500 and 3,500 words long and the deadline for the report is the 6th May. I will not accept your report after this date. If one of your team members has special circumstances I will expect the rest of your report to be submitted on time. You will need to submit medical evidence of illness and then a date for the remaining part of the report will be agreed. You must submit a hard copy of your report AND one of your group (but only one please) should submit the report via turnitin.

Your company, which is based in the UK, is considering investing overseas and your group are responsible for presenting a report explaining the inherent risks your company should consider before investing. To help focus your report you have been asked to choose two countries (from the data available on the websites cited), identify relevant data and produce relevant graphs and tables which you should include in your report. Using the lecture notes and your additional reading from lectures 1 to 7 you must explain the relevance of the data and graphs you have included in your report and provide an overall recommendation as to which country, from the two you have chosen, would be the better alternative for investment.

You will need to provide information concerning

- The countries' economic positions for example: recent inflation, changes in exchange rates
- The countries' corporate governance and corruption rankings
- The countries' current levels of inward foreign direct investment activity
- An example of transaction exposure using historical exchange rates, but also explain the possible effects of translation and economic exposure.
- Trends in the costs of debt for the previous year and the change in the countries' share price indices.
- The alternative methods by which the company might invest in the countries chosen.
- Whether the countries you have chosen impose tariffs, explaining why this might be an issue for the company.
- The countries' credit ratings.

Websites which you might find useful:

<http://data.worldbank.org/country>

http://www.oecd.org/document/0,3746,en_2649_201185_46462759_1_1_1_1,00.html

<http://siteresources.worldbank.org/INTGOVANDANTICORRUPTION/Resources/ETHICS.pdf>

<http://www.standardandpoors.com/ratings/articles/en/eu/?assetID=1245270845820>