金融学精选教材 · 双语注释版

INTERNATIONAL FINANCIAL MANAGEMENT

国际金融管理 [第2版]

〔美〕Michael B. Connolly 著

北京大学出版社
PEKING UNIVERSITY PRESS

金[illegible]版

INTERNATIONAL FINANCIAL MANAGEMENT

国际金融管理 [第2版]

〔美〕Michael B. Connolly 著

北京大学出版社
PEKING UNIVERSITY PRESS

图书在版编目(CIP)数据

国际金融管理:第2版:英文/(美)科诺利(Connolly,M. B.)著.—北京:北京大学出版社,2012.6
(金融学精选教材·双语注释版)
ISBN 978-7-301-20606-5

Ⅰ.①国… Ⅱ.①科… Ⅲ.①国际金融管理-高等学院-教材-英文 Ⅳ.①F831.2

中国版本图书馆CIP数据核字(2012)第086105号

书　　名:国际金融管理(第2版)
著作责任者:〔美〕迈克尔·B.科诺利(Michael B. Connolly)　著
责 任 编 辑:张　燕
标 准 书 号:ISBN 978-7-301-20606-5/F·3181
出 版 发 行:北京大学出版社
地　　址:北京市海淀区成府路205号　100871
网　　址:http://www.pup.cn　电子邮箱:em@pup.cn
电　　话:邮购部62752015　发行部62750672　编辑部62752926
出版部62754962
印 刷 者:三河市欣欣印刷有限公司
经 销 者:新华书店
850毫米×1168毫米　16开本　22.75印张　401千字
2012年6月第1版　2012年6月第1次印刷
定　　价:49.00元

Preface 前言

This second, bilingual edition of *International Financial Management* with Peking University Press provides a working knowledge of international business finance with applications to real world problems. It is designed not only to introduce the Chinese student to modern finance and new financial instruments, but also to provide a solid foundation for the English reader. This edition has case studies, concept boxes, and exercises. The solutions are provided at the back of the text.

Corporate aspects of international finance are analyzed, especially hedging techniques. The book also aims to help readers understand how managers of international corporations do or should behave. We also examine the mechanics of the foreign exchange market, reviewing spot, forwards, futures, and options—the main tools used to hedge exchange rate risk. The book constructs the building blocks of international finance: (1) interest rate parity, (2) purchasing power parity, and (3) the international Fisher equation. It then turns to international management issues and international financial scams, including Ponzi games. We then lay out the optimal portfolio model in an international setting based upon an investor's degree of risk aversion and the reward—risk ratio. It specifically highlights the role of the exchange rate in portfolio decisions.

My students in international finance at Duke University kindly provided suggestions on the final version of the manuscript. I would specifically like to acknowledge Luyuan Fan, now at JPMorgan, New York, and Yiwen Zhu, at Goldman Sachs, New York for their valuable contributions.

In recent years, I have been teaching international finance at Hunan University, China, as well as doing joint research with colleagues there. It is exciting to witness China's movement toward free markets and the development of new financial markets and instruments. Futures markets in petroleum were only launched in March 2005, and new options markets in the yuan were hampered by prohibitions on investors selling calls and puts, which are more exposed to loss than buying calls or puts. Since 2006, foreign banks and companies may have full ownership of local operations. Capital transfers still require approval of SAFE, the State Administered Foreign Exchange System. SAFE approved the withdrawn offer of $18.5 billion by CNOOC Ltd. for UNOCAL. The Chinese government is encouraging direct foreign investment and acquisitions, making available the foreign exchange necessary for this and other investments. These investments are often to secure sure supplies of raw materials for production by state enterprises involving petroleum, copper, or other items. The offshore use of the yuan as a settlement currency is increasing, especially for cross border transactions with China.

I owe thanks to Robert Z. Aliber of the Graduate School of Business, University of Chicago, and to Ed Tower, Duke University, who made significant, detailed suggestions on the content and focus of the volume. Robert Langham, Taylor and Francis Books plc, London, made helpful editorial suggestions in the earlier stages of this project. I owe a debt of gratitude is to my thesis advisor at the University of Chicago, Robert A. Mundell, Columbia University, who taught me economics and the fun of learning. Cheng Li, a doctoral student at the University of Miami, translated key concepts, explanations, the table of contents and the index into simplified Chinese. Yi Pan, Duke University, proofread and edited the final manuscript for both substance and style.

I am especially indebted to Yan Zhang, Economics and Finance Editor, Peking University Press for her steadfast encouragement and professional editing. This second edition could not have been accomplished without her able and constant guidance.

The plan of the book is as follows:

- Chapter 1 introduces the topic of international finance by highlighting its main characteristics, in particular currency risk and conversion.

- Chapter 2 begins with the history of international finance and monies, stressing the importance of money as a medium of exchange, a store of value, and a unit of account. Bills of exchange are identified as the source of the first financial securities in foreign currency and the origin of the stock exchanges. The concept of seigniorage, i. e. the printing press, to finance fiscal deficits is highlighted as the source of inflation in several countries.

- Chapter 3 deals with the exchange rate. The foreign exchange market is analyzed, including spot, future, forward, options, and swap markets in foreign exchange. The basic building block for forecasting future exchange rates—interest rate parity—is illustrated as a no-profit arbitrage condition. The bid-ask spread—the difference between the ask and the bid price of foreign exchange dealers—represents the currency dealers' profits, in addition to any commission paid, and as a transaction cost in currency conversion for the firm. Unanticipated foreign exchange risk involves the risk that a subsequent spot rate will deviate from its current forward level. Forwards and foreign exchange swaps are analyzed and laid out as a particularly useful way of hedging long-term and operational exposure in foreign exchange.

- Chapter 4 covers the hedging of foreign exchange risk by the firm. To hedge or not is the first issue addressed, then hedging techniques. If a firm or an individual has a "long" position in say euros, foreign exchange risk is said to be hedged or guarded against by acquiring an opposite, offsetting "short" position in euros. A simple hedge of a million euros of accounts receivable in 90 days could involve the sale of one million euros forward for delivery in 90 days. The firm would no longer be subject to foreign exchange risk: neither unanticipated gains if the euro rises relative to the forward price in dollars or pounds, nor unanticipated losses if the euro declines relative to the forward rate. Chapter 4 also covers contractual hedges: futures, forwards, money market hedges, and options, as well as operational, accounting, and transactional hedging by offsetting cash flows, such as foreign exchange swaps, by the international firm.

- Chapter 5 deals with international financial management issues that confront the multinational firm: transfer pricing, working capital management, international taxation, offshore banking, and international mergers and acquisitions. In addition, the currency conversion of free-cash flows in an international business plan is covered in detail.

- Chapter 6 covers financial scams and swindles, including pyramid schemes, insider trading, accounting malfeasance, and other scams that have surged worldwide in recent years. Partly, the problem seems to be old-fashioned greed, but another culprit seems to be the linking of bonus and options compensation with reported earnings, not necessarily actual earnings.

- Chapter 7 reviews the financial crisis of 2007—2009, stressing the importance of financial leverage, securitization, and moral hazard in precipitating the rapid near-collapse of the US financial system. The US government played a role in triggering the collapse, through Fannie Mae and Freddie Mac promoting, bundling, and guaranteeing low quality, subprime mortgages. The Troubled Asset Relief Program (TARP) rescued the investment banks of Wall Street, but firmly established a moral hazard — "too big to fail."

- An appendix on the time value of money follows with several applications.

Problem sets are also provided at the end of every chapter to give the reader confidence in problem-solving with numerical and conceptual analysis.

Answers to these problems and an index close the book.

I hope you enjoy this volume. My students do and I had fun writing it.

Michael Connolly
Department of Economics
School of Business Administration
University of Miami, Florida, USA

Department of Finance
College of Finance and Statistics
Hunan University
Changsha, People's Republic of China

Figures 图形列表

Tables 表格列表

Abbreviations 重要缩写词

ADR	American depositary receipt
AMEX	American Stock Exchange
AMR	American Airlines Corp.
APA	advanced pricing agreement
BAC	Bank of America, ticker symbol
BFC	British Finance Centre
BIS	Bank for International Settlements
BOA	Bank of America
BSCH	Banco Santander Central Hispano
CAD	covered arbitrage differential
CAOC	China Aviation Oil Corporation
CAOHC	China Aviation Oil Holding Company
CHIPS	Clearing House Interbank Payments System
CDO	Collateralized debt obligation
CSFB	Crédit Suisse First Boston
DJIA	Dow Jones Industrial Average
EDGAR	Electronic Data Gathering and Retrieval
ETF	exchange traded fund
FASB	Financial Accounting Standards Board
FATF	Financial Action Task Force
FCPA	Foreign Corrupt Practices Act
FED	Federal Reserve System
Footsie	Financial Times Stock Exchange
FOREX	foreign exchange
FSC	foreign sales corporation
GAAP	generally accepted accounting principles
GATT	General Agreement on Tariffs and Trade
GKOs	Gosudarstvennye Kratkosrochnye Obligatsii
HLI	highly leveraged institution
IAS	international accounting standard
IBC	international business corporation
IFOC	international financial offshore center

IMF	International Monetary Fund
IPO	initial public offer
IRR	internal rate of return
IRP	interest rate parity
IRS	Internal Revenue Service
L/C	letter of credit
LSE	London Stock Exchange
LTCM	Long Term Capital Management
MBA	mortgage backed asset
MEI	marginal efficiency of investment
MIGA	Multilateral Investment Guarantee Association
NASDAQ	National Association of Securities Dealers Automated Quotations
NCCTs	Non-Cooperative Countries and Territories
NDF	non-deliverable future
NPV	net present value
NYSE	New York Stock Exchange
OECD	Organization for Economic Cooperation and Development
OFC	offshore financial center
OTC	over-the-counter
PPP	purchasing power parity
RER	real effective exchange rate index
RIC	Reuters Instrument Code
S&P	Standard & Poor's
SASAC	State Asset Supervision and Administration Commission
SEC	Securities and Exchange Commission
SIMEX	Singapore International Monetary Exchange
SOES	Small Order Execution System
SOX	Sarbanes-Oxley Act
SSE	Shanghai Stock Exchange
SWIFT	Society for Worldwide Interbank Financial Telecommunications
T-bill	Treasury bill
UAL	United Airlines Corporation
UNCAC	UN Convention Against Corruption
USD	US dollars
WACC	weighted average cost of capital
WTO	World Trade Organization

Contents

中文目录