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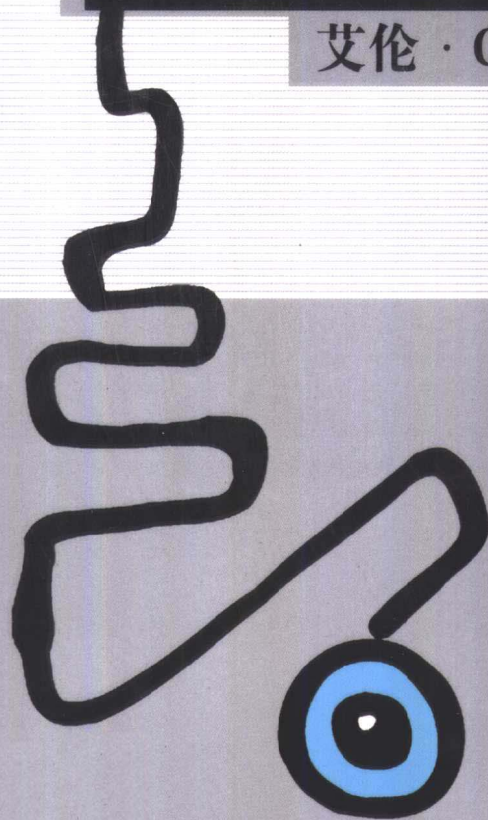
FINANCIAL

财务管理影印系列

FOUNDATIONS of Multinational Financial Management

跨国财务管理基础

艾伦·C·夏皮罗(Alan C. Shapiro)/著



 **WILEY**
Publishers Since 1807



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跨国财务管理基础

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序 言

现代财务管理首创于西方，经过一百多年的不断发展和完善，形成了市场经济条件下财务管理的理论体系和方法体系。特别是20世纪50年代以后，随着跨国公司的迅猛发展和国际金融市场的不断完善，财务管理已经逐步形成一门国际化的学科。

第二次世界大战以来，随着生产的发展和科学技术的不断进步，跨国企业得到了前所未有的发展。那些大企业通过对国外直接投资，在国外设立分支机构或子公司，形成了一个从国内到国外，从生产到销售，按着自己的“全球战略”，在世界范围内追逐高额利润的独特的企业体系，这就是现代意义上的跨国公司。以跨国公司为主的国际企业的全球经营战略，必然要求财务管理与之相适应。比如，要求在全球范围内以最低的成本筹集资金，把资金投放于最有利的国家和地区，在全球范围内进行盈余分配，管好用好外汇资金等。这些都极大地促进了财务管理国际化的进程。

第二次世界大战以来，由于科技革命的影响，生产国际化提高到一个新的阶段，生产国际化又推动了资本国际化，国际资金借贷日益频繁，国际资本流动达到空前规模，极大地促进了国际金融的发展。近四十年来，国际金融交易出现了一个重大变化，这就是试图摆脱任何一国的管辖和影响，出现了新兴的国际市场——境外金融市场，如欧洲美元市场、亚洲美元市场。这种市场不受所在国金融、外汇政策的限制，可以自由筹措资金，进行外汇交易，实行自由汇率，无须缴纳存款准备金。这种金融市场最早出现在伦敦，以后在新加坡、香港等地相继开设。国际金融市场的新发展，为企业迅速筹集资金和合理运用资金提供了方便条件，但同时也对企业财务管理提出了新的要求，促进了财务管理国际化的发展。

财务管理的历史本来就是一部国际化的历史。通常，人们都认为现代财务管理于19世纪末产生于美国，并迅速传入欧洲。英国把财务管理的原理传入了印度及其他英联邦国家。二次大战后，亚洲的日本、韩国、台湾和香港由于吸收了欧美财务管理的方法，极大地促进了上述国家和地区的财务管理的发展。与此同时，前苏联在吸收欧美财务管理基本原理的基础上，集合社会主义国家财务活动的特点，建立了社会主义国家的财务管理体系，并将其迅速传入东欧和中国等社会主义国家，推动了社会主义国家财务管理的形成和发展，受上述传播的影响，到目前为止，财务管理的一些基本原理在各国大致相同。例如，财务分析中的比率分析原理，财务计划中的平衡原理，财务控制中的分权原理，财务决策中的风险原理都基本一致。可以说，财务管理的基本原理和方法是国际性遗产，它属于全人类。科学地吸收现代西方财务管理的精华，对完善我国财务管理理论，指导财务管理实践都具有重要意义。

据我们所知，当前影印或翻译的有关工商管理丛书、会计丛书很多，但财务管理方面的丛书还没有见到，中信出版社此次影印的“现代企业财务管理丛书”，在这方面填补了空白。

这套丛书作者，皆为世界财务管理学界知名教授。他们这些教材，在世界各地大学广泛使用，被证明是结构合理、资料丰富、语言精练、通俗易懂的优秀教材。我认为，本套丛书的出版，不论是对中国财务管理教育还是财务管理的实践，都将起到极大的推动作用。

王化成

2002年春于中国人民大学商学院



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APPROACH

The basic thrust of this fourth edition of *Foundations of Multinational Financial Management* is to provide a conceptual framework within which the key financial decisions of the multinational firm can be analyzed. As in the sixth edition of *Multinational Financial Management*, my more comprehensive book on this topic, the approach is to treat international financial management as a natural and logical extension of the principles learned in the foundations course in financial management. Thus, it builds on and extends the valuation framework provided by domestic corporate finance to account for dimensions unique to international finance.

Foundations focuses on decision making in an international context. Analytical techniques help translate the often vague rules of thumb used by international financial executives into specific decision criteria. The book offers a variety of real-life examples, both numerical and institutional, that demonstrate the use of financial analysis and reasoning in solving international financial problems. These examples have been culled from the thousands of illustrations of corporate practice that I have collected over the years from business periodicals and my consulting practice. By scattering the best of these examples throughout the text, students can see the value of examining decision problems with the aid of a solid theoretical foundation. Seemingly disparate facts and events can then be interpreted as specific manifestations of more general financial principles.

All the traditional areas of corporate finance are explored including working capital management, capital budgeting, cost of capital, and financial structure. However, this is done from the perspective of a multinational corporation, concentrating on those decision elements that are rarely, if ever, encountered by purely domestic firms. These elements include multiple currencies with frequent exchange rate changes and varying rates of inflation, differing tax systems, multiple money markets, exchange controls, segmented capital markets, and political risks such as nationalization or expropriation. Throughout the book, I have tried to demystify and simplify multinational financial management by showing that its basic principles rest on the same foundation as does corporate finance.

The emphasis throughout this book is on taking advantage of being multinational. Too often companies focus on the threats and risks inherent in venturing abroad rather than on the opportunities that are available to multinational firms. These opportunities include the ability to obtain a greater degree of international diversification than security purchases alone can provide, as well as the ability to arbitrage between imperfect capital markets, thereby obtaining funds at a lower cost than could a purely domestic firm.

AUDIENCE

Foundations of Multinational Financial Management is a shorter version of my other text, *Multinational Financial Management* (MFM). It emphasizes broad concepts and practices rather than extensive quantitative material. Compared to MFM, *Foundations* reduces the range and complexity of the subject matter covered. Although *Foundations* is intended primarily for an undergraduate audience, it is suitable for use in masters level courses where there is not enough time to cover the full range of topics dealt with in MFM or

where the students do not have the necessary preparation for using MFM. It is also suitable for use in bank management and other executive development programs.

FEATURES

Foundations of Multinational Financial Management presumes a knowledge of basic corporate finance, economics, and algebra. However, it assumes no prior knowledge of international economics or international finance and is, therefore, self-contained in that respect. For those who are not familiar with *Multinational Financial Management*, here are some of the distinctive features that have led to its widespread adoption. These features have been incorporated and enhanced in *Foundations*.

Distinctive topic coverage includes the following:

- Extensive discussion of the basic concepts of absolute and comparative advantage as well as some insight into the gains and income redistributions associated with free trade and the consequences of barriers to trade (Appendix 1A: The Origins and Consequences of International Trade)
- Role of expectations in determining exchange rates (Chapter 2)
- Extensive discussion of the Mexican currency crisis in 1994–1995 (Chapter 2)
- Discussion of currency boards and the role of central bank credibility in the context of the dramatic changes made recently in Argentina and New Zealand (Chapter 2)
- Analysis of the September 1992 and August 1993 European currency crises (Chapter 3)
- Discussion of monetary union, optimum currency areas, and the development of the euro (Chapter 3)
- Use of the balance-of-payments framework to assess the economic links among nations (Chapter 4)
- Discussion of country risk analysis for both companies and banks, along with an analysis of the dramatic changes taking place throughout Latin America, Eastern Europe, and China and their implications for economic growth (Chapter 5)
- Comprehensive discussion of the foreign exchange market and its institutions and mechanisms, including electronic trading (Chapter 6)
- Understanding currency futures and options contracts (Chapter 7), and their use in exchange risk management (Chapter 10)
- Use of currency risk sharing in international contracts (Chapter 10)
- Comparing hedging alternatives when there are transaction costs (Chapter 10)
- Discussion of cross-hedging using a simple regression analysis (Chapter 10)
- Discussion of how to structure and use currency collars (or range forwards) and currency cylinders to hedge exchange risk (Chapter 10)
- Identification of the economic, as opposed to accounting, aspects of foreign exchange risk (Chapter 11)
- Development of marketing and production strategies to cope with exchange risk (Chapter 11)
- Analysis of how Japanese firms have coped with yen appreciation (Chapter 11)

- Discussion of the functions, consequences, and globalization of financial markets and the links between national and international capital markets (Chapter 12)
- Discussion of the external medium- and long-term financing options available to the multinational corporation (Chapter 12)
- Discussion of the Eurocurrency and Eurobond markets (Chapter 12)
- Use of interest rate and currency swaps (Chapter 13)
- Evaluation of foreign currency denominated debt (Chapter 14)
- Design of a global financing strategy (Chapter 14)
- Discussion of alternative approaches to estimating the cost of capital for foreign operations (Chapter 14)
- Understanding the nature and consequences of international portfolio investment (Chapter 15)
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- Development of global strategies of MNCs (Chapter 16)
- Assessing the true profitability of a foreign operation (Chapter 17)
- Valuation of the growth options often associated with foreign investments (Chapter 17)
- Role of countertrade in financing international trade (Chapter 18)
- Calculating the cost of acceptance financing and factoring (Chapter 18)
- Costs and benefits of managing interaffiliate fund flows on a global basis (Chapter 20)
- Discussion of new transfer pricing issues and “earnings-stripping” charges involving foreign company operations in the United States (Chapter 20)
- Integration of tax management with financial management based on the Tax Reform Act of 1986 and subsequent tax law changes (Chapter 20)

CHANGES TO THE FOURTH EDITION

Changes that have been made to the fourth edition include the following:

- Parts I and II remain as before Environment of International Financial Management and Foreign Exchange Risk Management, respectively. The other sections of the book have been rearranged. Previously, the organization of the text was Part III (Working Capital Management), Part IV (Financing Foreign Operations), and Part V (Foreign Investment Analysis). The text's new organization is Part III (Financing Foreign Operations), Part IV (Foreign Investment Analysis), and Part V (Working Capital Management). The aim was to deal with the financing subject matter, including the cost of capital, prior to discussing the investment decision.
- The old Chapter 20 (Political Risk Measurement and Management) has been split into Chapter 5 (Country Risk Analysis) and Appendix 17A (Managing Political Risk).
- The old Chapter 15 (International Banking Trends and Strategies) has been eliminated with the section on Country Risk Analysis in International Banking moved into Chapter 5.

- The section on interest rate parity theory has been transferred from Chapter 6 (The Foreign Exchange Market) to Chapter 8 (Parity Conditions in International Finance) where it provides the link between the spot and forward exchange markets and money markets.
- The section of Chapter 12 (International Financing and International Financial Markets) on interest rate and currency swaps has been placed into a new Chapter 13 (Special Financing and Interest Rate Risk Management Vehicles).

At the same time that the book has been updated, reorganized, and shortened, new material has been added, including the following:

- Many new solved numerical problems in the body of the chapters to illustrate the application of the various concepts and techniques presented in the text along with a number of new end-of-chapter problems
- Extensive discussion of the Asian currency crisis in 1997–1998 (Chapters 1 and 2)
- Discussion of the causes and consequences of the introduction of the euro (Chapter 3)
- Demonstration of double-entry bookkeeping in balance-of-payments accounting (Chapter 4)
- Presentation on how to compute gains, losses, and maintenance margins on a futures contract (Chapter 7)
- A discussion of currency spreads and knockout (or barrier) options (Chapter 7)
- Introduction of a modified Black-Scholes option pricing model to the pricing of currency options and a discussion of its shortcomings (Chapter 7)
- A discussion of recent research on biases in the forward exchange rate and possible causes, including the peso problem (Chapter 8)
- Discussion on linking currency forecasts to specific decision rules (Chapter 8)
- Discussion and comparison of the three basic types of exposure—accounting exposure, transaction exposure, and operating exposure (Chapter 9)
- Extended discussion on the design of a hedging strategy (Chapter 10)
- Discussion of managing the risk management function, including lessons learned from some highly publicized cases of derivatives-related losses (Chapter 10)
- Discussion of international differences in corporate governance and the economic consequences of those differences (Chapter 12)
- Discussion of how to calculate effective costs of Eurocurrency loans and Eurocommercial paper and all-in costs of Eurobonds (Chapter 12)
- Discussion of fixed-for-fixed and fixed-for-floating currency interest rate swaps (Chapter 13)
- Discussion of interest rate risk management techniques, including forward rate agreements, forward forwards, and Eurodollar futures (Chapter 13)
- Extended discussion of calculating the cost of capital for multinational companies (Chapter 14)
- Discussion of the home bias in international portfolio investing and the effects of hedging on the efficient frontier for internationally diversified portfolios (Chapter 15)
- Addition of two new cases, including one on Indonesia's decision of whether to establish a currency board (Rescuing the Indonesian Rupiah with a Currency

Board) and a second on Brazil's decision to defend its currency (Brazil Fights a Real Battle)

The book also contains many new charts and illustrations of corporate practice that are designed to highlight specific techniques or teaching points. Again, the emphasis is on reinforcing and making more relevant the concepts developed in the body of each chapter. To make the text more suitable as a teaching vehicle, I have added numerous questions and problems at the ends of the chapters, most of which are based on up-to-date information and real-life situations.

PEDAGOGY

The pedagogical thrust of the book is greatly enhanced by including the following learning and teaching aids:

1. *Focus on Corporate Practice*. Throughout the text, there are numerous real-world examples and vignettes that provide actual applications of financial concepts and theories. They show students that the issues, tools, and techniques discussed in the book are being applied to day-to-day financial decision making.
2. *Extensive Use of Examples and Illustrations*. Numerous short illustrations and examples of specific concepts and techniques are scattered throughout the body of most chapters.
3. *Lengthier Illustrations of Corporate Practice*. There are seven, longer illustrations of actual company practices, at the end of key chapters, that are designed to demonstrate different aspects of international financial management.
4. *Problems and Discussion Questions*. There are hundreds of realistic end-of-chapter questions and problems that offer practice in applying the concepts and theories being taught. Many of these questions and problems relate to actual situations and companies.
5. *Learning Objectives*. Each chapter opens with a statement of its action-oriented learning objectives. This statement enhances learning by previewing and guiding the reader's understanding of the materials that will be encountered in the chapter.
6. *Key Terms*. The end of each chapter also contains a list of key terms.
7. *Key Concepts*. Most pages contain one or two key ideas in the margins next to the point where these ideas appear in the text. Highlighting these key ideas serves as an effective study and review tool for students.
8. *Glossary*. The back of the book contains a Glossary that defines all the key terms appearing in the text.
9. *Supplements*. A complete set of ancillary materials is available for adopters of Foundations to supplement the text. These include:
 - An Instructor's Manual containing detailed solutions to the end-of-chapter questions and problems and tips for teaching each chapter.
 - A Testbank containing over 160 additional questions and problems suitable for use in multiple choice exams.
 - A Study Guide written by Professor Andreea L. DeMaskey, University of Nevada, Reno, is available. The Study Guide contains detailed chapter outlines and a number of solved questions and problems.

THANKS

I have been greatly aided in developing *Foundations of Multinational Financial Management* by the helpful suggestions of the following reviewers: Robert Aubey, University of Wisconsin; James Baker, Kent State University; Donald T. Buck, Southern Connecticut State University; C. Edward Chang, Southwest Missouri State University; Jay Choi, Temple University; Robert C. Duvic, University of Texas, Austin; Janice Wickstead Jadow, Oklahoma State University; Steve Johnson, University of Texas at El Paso; Boyden C. Lee, New Mexico State University; Marc Lars Lipson, Boston University; Richard K. Lyons, University of California, Berkeley; Dileep Mehta, Georgia State University; Margaret Moore, Franklin University; William Pugh, Auburn University; Bruce Seifert, Old Dominion University; Jay Sultan, Bentley College; Paul J. Swanson, Jr., University of Cincinnati; and Steve Wyatt, University of Cincinnati.

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A.C.S.
Pacific Palisades



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