



Corporate Treasury Management: Foreign Exchange Management - Online

This course provides an in-depth understanding of the various risks (transaction, translation and economic exposure risks) a corporate is exposed to, when dealing in foreign exchange. The sources of these exposures and techniques to mitigate them, using different financial instruments are discussed. Various caselets in the form of simulations are provided for better understanding. A 10-point checklist for sharing currency risks in long-term contracts is one of the highlights of this course.

This is an online self study course that can be globally accessed 24/7 from any internet enabled computer. Access is for 91 days. Certificates with earned credits will be awarded upon successful completions.

Targeted Audience

New FX traders and investors, foreign exchange staff in commercial banks, middle office, auditors, securities firms, insurance companies and corporations, analysts, and junior traders.

Advance Preparation

No advance preparation required.

Prerequisites

Familiarity with basic financial concepts

Learning Objectives

Students will be able to:

- . Understand Various foreign exchange exposures
- . Understand Techniques for mitigating these exposures

- . Understand Real-life case studies on currency risk exposure
- . Understand Currency risk sharing agreement

Alumni Comments

"Neat, concise course"

Level: Intermediate

ceu Credits: 14

icb Credits: 3.75

Detailed Outline

Treasury Management Scope and Importance Overview of Risk Management

Topics covered include:

- . What is Treasury Management?
- . Structure of Treasury Management
- . Functions of Treasurer and Controller

Duration: 1 Hour

Topics covered include:

- . Concept of Risk
- . Risk Management Process
- . Determination of Business Objectives
- . Identification of Risks
- . Measurement of Risk

Duration: 1 hour

Translation Exposure

Topics covered include:

- . Translation Exposure
- . Translation Methods
- . Accounting Treatment Under Fasb No. 8 and 52
- . Hedging Translation Exposure

Duration: 1 Hour

Transaction Exposure

Topics covered include:

- . Steps in measuring Transaction Exposure
- . Spot Markets Vs. Forward Market Hedge
- . Hedging- Other Alternatives

Duration: 1 Hour

Economic Exposure

Topics covered include:

- . The impact of Forex on Operations
 - . Interface with Sourcing, Pricing, Production siting, Marketing and R&D
 - . Fixed Vs. Variable costs
 - . Exchange Rates: The impact on competitiveness
 - . Management of Economic Exposure or Operating Exposure
- Duration: 1 Hour
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Case Studies - Foreign Exchange Exposure

Currency risk exposure experiences of:

- . Volkswagen
 - . Rolls Royce
 - . Laker Airways
 - . Lessons Learnt from these Case Studies
- Duration: 1 Hour
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Currency Risk Sharing Agreement

Topics covered include:

- . Sharing Currency Risk in Long-term Contracts
 - . Evaluating Agreements for Currency Risk Sharing
 - . Range Forward vs. Currency Risk Sharing Agreement
- Duration: 1 Hour

Job Aids & Calculators

Included:

- . Measurement Tools
- . Disclosures
- . Scope and Structure of FX and Derivatives Markets
- . Global Best Practices
- . Policy Templates
- . Regulations
- . American / European Quotes
- . Spot Cross Rates
- . Calculating Forward Rate
- . Forward Cross Rates
- . Pricing Currency Futures - Continuous Compounding
- . Pricing Currency Futures - Daily Basis
- . Valuation of Generic Currency Swaps
- . NPV of Currency Cash Flow in a Swap
- . Options strategies (Excel)
- . Operating Exposure
- . Current / Non-current Method
- . Monetary/Non-monetary Method
- . Temporal Method

. Current Rate Method
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