

CODE DU COURS / COURSE CODE	NOM DU COURS / COURSE NAME Country risk assessment and Emerging markets				
Crédits / Credits	Période d'enseignement / Teaching period Automne / Fall <input checked="" type="checkbox"/> Printemps / Spring <input type="checkbox"/>				
Charge de travail / Student workload	Face à face / Contact Hours	Distanciel / Distance learning	Autonomous Personal &/or Team work	Evaluation / Evaluation	Durée totale / Total
	Nbh : 15	Nbh :	Nbh : 6	Nbh : 2	Nbh :
Programme / Program	MSc Si MS précisez / If MS, please specify : Si MSc précisez / If MSc, please specify : MSc International Business				
Département / Department	Finance, compta, contrôle / Finance and Accounting				
Type de cours / Course type	Commun / Core <input checked="" type="checkbox"/> Electif / Elective <input type="checkbox"/> Optionnel / Optional <input type="checkbox"/>				
Campus / Campus	LILLE <input type="checkbox"/>	PARIS <input type="checkbox"/>	SOPHIA <input checked="" type="checkbox"/>	SUZHOU <input checked="" type="checkbox"/>	RALEIGH <input type="checkbox"/>
Cours ouvert aux étudiants en échanges in / Course open to students in exchange	OUI / YES <input checked="" type="checkbox"/> NON / NO <input type="checkbox"/>				
Langue d'enseignement / Teaching Language	English				
Pré-requis / Prerequisite	Strong motivation and class participation				
Responsable du cours / Course Coordinator	MH BOUCHET				
Noms des Intervenant(s) par campus/ Instructor(s) Names by campus	CAMPUS LILLE	CAMPUS PARIS	CAMPUS SOPHIA MHB	CAMPUS SUZHOU MHB	CAMPUS RALEIGH
Evaluateur(s) / Evaluator(s)					

Description du cours / Course description	<p>Court paragraphe de présentation des grands objectifs et de la thématique</p> <p>Sovereign 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, direct investment, partnership and mergers, as well as takeovers.</p> <p>The seminar aims at providing students with a solid understanding of the concepts, historical perspectives, theoretical debates and methodologies surrounding country risk assessment.</p> <p><i>Short presentation of the course (objectives & themes)</i></p>
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<p>Résultats d'apprentissage / Learning Outcomes</p>	<ul style="list-style-type: none"> • Connaissances / Knowledge and Understanding (subject specific) A l'issue de la formation, l'étudiant devrait être capable de : <i>The student is expected to:</i> At the end of the seminar, we expect the student to be able to assess country risk situations with regard to cross-border investment, trade and lending purposes, and identify risks and opportunities, especially in emerging market economies. • Aptitudes cognitives / Cognitive/Intellectual skills (generic) A l'issue de la formation, l'étudiant devrait être capable de : <i>The student is expected to:</i> Identify key sources of economic intelligence regarding country risk • Attitudes / Key transferable skills (generic) A l'issue de la formation, l'étudiant devrait être capable de : <i>The student is expected to:</i> Good assessment of the most fruitful risk management methods • Compétences pratiques / Practical skills (subject specific) A l'issue de la formation, l'étudiant devrait être capable de : <i>The student is expected to:</i> Work in risk department of banks, insurance companies, ECAs, international organisations and MNCs 																																								
<p>Contribution aux objectifs pédagogiques du programme / Contribution to learning objectives</p>	<p>Indiquer les learning objectives auxquels contribue le cours (en se basant sur le curriculum mapping du programme) / <i>Indicate which learning objectives the course contributes to (based on the program curriculum mapping)</i></p> <ul style="list-style-type: none"> • Understanding the multi-faceted dimensions of cross-border risk • Assessing the main sources of risks arising from the growing integration of international markets from the firm's standpoint; • Apprehending the range of risk-analysis methodologies, and their respective pros and cons • Understanding the various approaches to country risk hedging, starting with up to date reliable information and economic intelligence, as well as guarantee, insurance, and mitigation techniques. 																																								
<p>Evaluation des étudiants / Student Assessment</p>	<p><u>Evaluation finale (DS) / Final examination</u> (préciser nature et % / Explain type & %)</p> <table border="0"> <tr> <td>QCM (quizz)</td> <td><input checked="" type="checkbox"/></td> <td>55%</td> <td></td> </tr> <tr> <td>Etude de cas (Case study)</td> <td><input type="checkbox"/></td> <td>%</td> <td></td> </tr> <tr> <td>Questions (Questions)</td> <td><input type="checkbox"/></td> <td>%</td> <td></td> </tr> <tr> <td>Exercices (Exercises)</td> <td><input checked="" type="checkbox"/></td> <td>45%</td> <td></td> </tr> <tr> <td>Autre (Other)</td> <td><input type="checkbox"/></td> <td>%</td> <td>Précisez / Specify:</td> </tr> </table> <p><u>Contrôle continu / Continuous Assessment</u> (préciser nature et % / Explain type & %)</p> <table border="0"> <tr> <td>Présentation orale (oral presentation)</td> <td><input type="checkbox"/></td> <td>%</td> <td></td> </tr> <tr> <td>QCM (quizz)</td> <td><input type="checkbox"/></td> <td>%</td> <td></td> </tr> <tr> <td>Dossier (file)</td> <td><input type="checkbox"/></td> <td>%</td> <td></td> </tr> <tr> <td>Etude de cas (case study)</td> <td><input type="checkbox"/></td> <td>%</td> <td></td> </tr> <tr> <td>Autre (other)</td> <td><input type="checkbox"/></td> <td>%</td> <td>Précisez / Specify:</td> </tr> </table>	QCM (quizz)	<input checked="" type="checkbox"/>	55%		Etude de cas (Case study)	<input type="checkbox"/>	%		Questions (Questions)	<input type="checkbox"/>	%		Exercices (Exercises)	<input checked="" type="checkbox"/>	45%		Autre (Other)	<input type="checkbox"/>	%	Précisez / Specify:	Présentation orale (oral presentation)	<input type="checkbox"/>	%		QCM (quizz)	<input type="checkbox"/>	%		Dossier (file)	<input type="checkbox"/>	%		Etude de cas (case study)	<input type="checkbox"/>	%		Autre (other)	<input type="checkbox"/>	%	Précisez / Specify:
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<p>Méthodes d'enseignement / Teaching Methods</p>	<p><u>Format de cours / Course format</u></p> <p>Séminaire / Seminar Si autre, précisez / <i>If other please specify:</i></p> <p><u>Activités d'apprentissage / Learning activities</u></p> <p>Etude de cas / Case studies Si autre, précisez / <i>If other please specify:</i></p>
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<p>Plan de cours / Course plan</p>	<p>SESSION 1 Introduction: Course presentation</p> <ol style="list-style-type: none"> 1. What is risk? What is uncertainty? Where does risk come from? 2. The specificity of sovereign risk and the various types of cross-border risk 3. Globalization and country risk: Why is globalization a turbulent socio-economic process? <p>Suggested Readings:</p> <ul style="list-style-type: none"> • Peter Bernstein: "Against the Gods: The Remarkable Story of Risk". From Fermat and Pascal to Keynes and Markowitz: http://www.ams.org/notices/199901/rev-zabell.pdf • McKinsey: Time to Rethink Offshoring? The McKinsey Quarterly - September 2009 http://www.mckinseyquarterly.com/Operations/Supply_Chain_Logistics/Time_to_rethink_offshoring_2190_abstract <p>SESSION 2</p> <p>Four approaches to Risk and Globalization:</p> <ul style="list-style-type: none"> • Ulrich Beck: "World at Risk". Modernization challenges the institutions and structures of traditional societies in the name of individual freedom and autonomy. What began to emerge in the late 20th century was a radical shift in the locus of meaning in western societies from a culture where meaning and identity were grounded in loyalty to traditional institutions and structures to one in which meaning and identity are grounded in the self as the primary agent of meaning. The paradox in late modern society is that risk might in fact be increasing due to technology, science and industrialism rather than being abated by scientific and technological progress. This is the world risk society full of hazards and insecurities induced by modernization itself. • Samuel P. Huntington: "Political order in changing societies": Contrary to the expectations of modernization theory, violence and instability stem from rapid social change and the mobilization of new groups into politics coupled with the slow development of political institutions. As societies modernize, they become more complex and disordered. If the process of social modernization is not matched by a process of political and institutional modernization with political institutions capable of managing the stress of modernization—the result is violence. The primary problem of politics is the lag in the development of political institutions behind social and economic change. • B. Mandelbrot & Nassim Taleb: Fractal approach to risk and crisis: Contrary to the mathematical convenience of bell curve assumptions, fractal approach considers that markets keep the memory of past moves, particularly of abrupt imbalances, and act according to such memory. Volatility breeds volatility in lumps and clusters, hence sharper and onerous crises. • J. Stiglitz and J. Sachs: Globalization tends to increase instability, make countries more vulnerable to external shocks, reduce growth, and increase poverty, hence socio-political turmoil. <p>Suggested Readings:</p> <ul style="list-style-type: none"> • Ulrich Beck: http://www.nextreformation.com/wp-admin/resources/risk-society.pdf • Samuel P. Huntington: http://markweatherall.wordpress.com/2009/10/12/political_order_in_changing/ • B. Mandelbrot : http://www.fooledbyrandomness.com/fortune.pdf <p>Mandelbrot's last FT Interview: http://paul.kedrosky.com/archives/2009/10/benoit_mandelbr.html</p> <ul style="list-style-type: none"> • J. Stiglitz: Homepage : http://www-1.gsb.columbia.edu/faculty/jstiglitz/ http://www.anderson.ucla.edu/faculty/sebastian.edwards/Stiglitz.pdf • J. Sachs: http://www.earthinstitute.columbia.edu/about/director/: Globalization and Inequality <p>CLASS 3 Country Risk assessment: Information and Economic intelligence gathering Uncertainty = a by-product of a deficit of information and economic intelligence</p>
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	<p>1. Key Public information sources:</p> <ul style="list-style-type: none"> • IFIs & Regional development banks • National sources, central banks and Paris Club • National intelligence agencies <p>2. Key Private sources:</p> <ul style="list-style-type: none"> • Risk rating agencies (The Big Three, Dagong, Coface & others) • Private commercial and investment banks • Specialized agencies, think tanks, and NGOs <p>Suggested Readings: IMF 2011: Definition and Measurement of Sovereign Risk http://www.imf.org/external/np/sec/pr/2011/pr1191.htm D. Strauss-Kahn: Peace and Economic Stability are interconnected http://www.imf.org/external/pubs/ft/survey/so/2009/NEW102309A.htm ,</p> <p>CLASS 4 Country Risk : Assessment Methodologies I</p> <ul style="list-style-type: none"> • Political risk analysis: analysis of structural and institutional deficiencies • The Prince Model • Sources for country's political analysis : Frost & Sullivan, EIU, CIA, Credit Risk International, Transparency International, Heritage Foundation, www.groupegeos.com <p>Suggested Readings:</p> <ul style="list-style-type: none"> • www.africa-asia-confidential.com • http://www.vcc.columbia.edu/content/how-bric-mnes-deal-international-political-risk <p>CLASS 5 Country Risk : Assessment Methodologies II</p> <ul style="list-style-type: none"> • Ranking and rating approach to country risk: usefulness and pitfalls • Country's rating agencies: Moody's, S&Ps, Fitch, DAGONG, Euromoney, Institutional Investor, COFACE. • Sources for country political risk ratings: OECD, EIU, World Bank's governance indicators, ICRG, Transparency International, Opacity Index, and Heritage Foundation. <p>Suggested Readings: World Bank- Doing Business 2013 Transparency International 2013 Report</p> <p>CLASS 6 Country Risk : Assessment Methodologies III</p> <ul style="list-style-type: none"> • Balance of payments approach and country risk assessment • Solvency and liquidity ratios • Measuring risk: Risk pricing, bond spreads, and Credit Default Swaps (CMA) <p>Recommended Reading: Case study: Solvencia</p> <p>CLASS 7 CONCLUSION- Country Risk : Assessment and early warning systems</p> <ul style="list-style-type: none"> • Financial crisis: searching for early warning signals • Expatriated savings and capital flight as indicators of upcoming crisis? • 2012-2015: Global financial crisis and EMCs: contagion and spill-over effects • Insurance and Risk cover: Hiscox, MIGA, COFACE, and CDS <p>Suggested Readings: Goldman Sachs: Damocles and Early Warning Indicators</p>	
Bibliographie / References	Lectures obligatoires / <i>Required readings</i>	Optionnelles / <i>Recommended readings</i>

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	<p>Recommended readings:</p> <ul style="list-style-type: none"> • Bouchet, Michel Henry., Gros Lambert, B., and Clark, E., 2005, Country Risk Assessment, London: Wiley. • Bouchet, Michel Henry., Gros Lambert, B., 2006, Governance & Risk in Emerging Markets, edited by Sima Motamen-Samadian, London: Palgrave 	<p>Bouchet, M.H. La Globalisation: Pearson IMF WEO 2013 suggested; Managing Country Risk: A Practitioner's Guide to Effective Cross-Border Risk Analysis, Daniel Wagner, 2013</p>
Site(s) web / Web sites	Www.developingfinance.org	Coface.com

		CAMPUS SOPHIA	CAMPUS LILLE	CAMPUS PARIS	CAMPUS CHINE	CAMPUS RALEIGH
Modalités de délivrance du cours (par campus si différent) <i>/ Course delivery modes (per campus if different)</i>	Nombre CM Amphi / <i>Number of Lectures</i>	5			5	
	Durée CM Amphi (en heures) / <i>Lecture duration (in hours)</i>	15			15	
	Nombre TD / <i>Number of Tutorial classes</i>					
	Durée TD (en heures) / <i>Tutorial class duration (in hours)</i>					
	Autres (Distance learning, etc...) (en heures) / <i>Other (in hours)</i>					
	Préciser les spécificités de programmation (TD journée, cadencement spécifique des séances) / <i>Specify if full-day tutorial class, different schedules</i>					