

INT 620 Milestone Two Guidelines and Rubric: Risk Mitigation Strategies

Overview: For this milestone, due in **Module Five**, you will analyze risk mitigation strategies for your selected company. Additionally, you will calculate the impacts foreign currencies have on the overall revenue and profit structure of your selected company.

Prompt: First, review the annual financial statements (Form 10-K) for your selected company. You can either retrieve the statements from the webpage [SEC EDGAR Company Filings](#) or directly from the company's website, often listed under "Investor Information." Review the Module Five resources, including the website [Historical Exchange Rates](#), and review the Module Three and Four resources.

Next, complete the spreadsheet [Milestone Two: Foreign Currency Impact](#), which analyzes the foreign currency impact on your selected company. To complete this part of the milestone, you will need to review at least three years' worth of annual financial reports.

Finally, complete the Final Project Milestone Two section in the [Final Project Template](#). The paper should outline what hedging techniques your selected company is currently using. You need to research the annual statement and look for foreign currencies and their treatment, the derivative contract specifically used for hedging, and any other notes on hedging in the company's annual financial statements. Further, you will need to analyze specific foreign currency transactions listed in the financial statements.

The following **critical elements** must be addressed:

- **Section 2: Risk Mitigation Strategies**
 - A. Determine **current** financial and strategic **impacts** of international risks to inform risk mitigation strategies. In other words, what kind of risks is your company exposed to (translation, transaction, economic, operating, etc.) and why?
 - B. Explain how to **mitigate foreign exchange rate risk**.
 - C. Identify the **tools** the company is currently using to mitigate its foreign exchange risk. This should be done using the annual financial statements.
 - D. Calculate the **financial impacts** of international foreign exchange risk to inform risk mitigation strategies. This will be done in an Excel spreadsheet. There are instructions in the spreadsheet to guide you step-by-step through the exercise.
 - E. Propose **future mitigation strategies** based on the prospective market for your corporation including addressing risks that are not currently being efficiently mitigated for your corporation.

Be sure to reference your completed Final Project Milestone One document as well as any other pertinent course resources to support your responses. Incorporate instructor feedback on this milestone into your final project submission.

Rubric

Guidelines for Submission: This milestone should be submitted as a Word document, 2–3 pages in length, double-spaced, using 12-point Times New Roman font, one-inch margins, and the latest edition of the APA manual for formatting and citations.

| Critical Elements | Proficient (100%) | Needs Improvement (70%) | Not Evident (0%) | Value |
|---|---|--|---|-------------|
| Section 2: Current Impacts | Determines current financial and strategic impacts of international risks to inform risk mitigation strategies | Determines current financial and strategic impacts of international risks to inform risk mitigation strategies but is missing key ideas | Does not determine current financial and strategic impacts of international risks to inform risk mitigation strategies | 18 |
| Section 2: Mitigate Foreign Exchange Rate Risk | Explains how to mitigate foreign exchange rate risk | Explains how to mitigate foreign exchange rate risk but explanation is incomplete or unclear | Does not explain how to mitigate foreign exchange rate risk | 18 |
| Section 2: Tools | Defends the tools the company is currently using to mitigate foreign exchange risk | Defends the tools the company is currently using to mitigate foreign exchange risk but reasons provided are minor, incomplete, or unclear | Does not defend the tools the company is currently using to mitigate foreign exchange risk | 18 |
| Section 2: Financial Impacts | Analyzes financial impacts of international foreign exchange risk to support risk mitigation strategies | Analyzes financial impacts of international foreign exchange risk to support risk mitigation strategies in a way that is incomplete or unclear | Does not analyze financial impacts of international foreign exchange risk to support risk mitigation strategies | 18 |
| Section 2: Future Mitigation Strategies | Proposes future mitigation strategies based on the prospective market for the corporation including addressing risks that are not currently being efficiently mitigated for the corporation | Proposes future mitigation strategies based on the prospective market for the corporation but proposal does not include risks that are not currently efficiently mitigated | Does not propose future mitigation strategies based on the prospective market for the corporation | 18 |
| Articulation of Response | Submission has no major errors related to citations, grammar, spelling, syntax, or organization | Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas | Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas | 10 |
| Total | | | | 100% |