

Course	FINC 5840 International Finance	
Term	Spring 2, 2010 – Wednesday – 6:00 pm – 10:00 pm 3/17, 3/24, 3/31, 4/7, 4/14, 4/21, 4/28, 5/5, 5/12	
Instructor	Name: T. C. Collins Home Phone: (904) 819-0686 Work Phone: TBA(in-class) Email: tcollins@webster.edu	
Catalog Description	Course content focuses on the environment in which the international financial manager operates. Students study the risks of doing business overseas and the tools available to minimize those risks. Foreign exchange risk, political risk, working capital management, long-term investments, and financing, and accounting and control are examined within this context.	
Prerequisites	FINC 5000, BUSN 5600 or equivalent	
Course Level Learning Outcomes	Outcome	Expectation
	1. Students appreciate the overall financial environment in which global firms operate.	Students can discuss the history and development of the international monetary system. They can describe the framework in which international payments are made, capital moved, and exchange rate determination.
	2. Students know the basics of the market for foreign exchange.	Students can define the terminology related to the foreign exchange market. Premiums and cross-exchange rates can be calculated.
	3. Students are able to discuss international parity relationships.	Students can discuss interest rate parity and purchasing power parity, and their interaction with forecasting exchange rates.
	4. Students recognize the need to manage exposures of multinational firms.	Students can identify risks and the need for management of economic, transaction, and translation exposures.
	5. Students understand the motivation of firms participating in foreign direct investment.	Students can describe competing theories of foreign direct investment (FDI), and the risks associated with it.
Materials	Madura, Jeff, (2010), <u>International Financial Management</u> , (10th Edition), Thomson South-Western. ISBN# 1439038333 <u>Supplemental Readings</u> Students are expected to keep up to date with international business affairs through such publications as The Wall Street Journal, Business Week, The Economist, etc.	

Grading	Assignments	Maximum Points
	Exams (2 @ 30 points each)	60 Points
	Research Project (Online Library Research and Competency)	30 Points
	Class Participation, Attendance and Homework	<u>10 Points</u>
	TOTAL	100 Points

Percentage of Total Points	Grade
95%-100%	A
90%-94%	A-
88%-89%	B+
84%-87%	B
80%-83%	B-
70%-79%	C
Below 70%	F

Activities	Exams
	<ul style="list-style-type: none"> Exams are non-cumulative and are each worth 30% percent of the final grade for a total of 60% of the final grade. Exams will be administered on a take-home basis. Take-home exams will be due as noted on the syllabus.
	<p>Online Library Research Project</p> <ul style="list-style-type: none"> The Internet Passport Research Project is worth 30% percent of the final grade. The project will be assigned and discussed in detail during the first class. The original work prepared by the student without the assistance from classmates or friends. The paper should be typed, double-spaced, and between 5 and 8 pages in length (the body of the paper). The paper is to include an executive summary, which should be no greater than one (1) page in length. STUDENTS ARE TO STRICTLY FOLLOW THE APA FORMAT. A MINIMUM of five Online Library resources must be used to satisfy the requirements of the research project. There is no limitation on the number or type of resources that may be utilized. Proper citations, footnoting and bibliographies are required. The Research Project will be graded equally on (a) EFFICIENCY AND EFFECTIVENESS OF CONTENT and (b) GRAMMAR. The paper will be accompanied by a brief presentation by the student not to exceed fifteen (15) minutes in length.
	<p>Class Participation and Attendance</p> <ul style="list-style-type: none"> Students are expected to attend all class sessions of every course for the full 36 contact hours. In the case of unavoidable absence, the student must contact

the instructor. The student is subject to appropriate academic penalty for incomplete or unacceptable makeup work, or for excessive or unexcused absences. Generally, a student who misses more than one four-hour course period (per course) without a documented military or medical excuse and advanced permission of the instructor should withdraw from the class. The University reserves the right to involuntarily drop enrolled students from classes, which they do not attend.

- Students who do not attend the first class session, who have not made prior arrangements with the instructor for being absent, will be dropped from their courses.
- Attendance the last day of class is mandatory to ensure that all work is completed and to be awarded a passing grade. An Incomplete will not be acceptable without documental proof (Death Notice, Doctor's Letter, etc.) as to absence relating to non-completion of class work. These must be faxed 904-262-1459 or dropped off to Webster University by the Monday after the term ends.
- Participants are expected to arrive on time and be actively involved in the learning experience. Each student should desire to learn, participate, and proactively contribute to the learning of others during each discussion and exercise.
- Students are to participate in classroom discussions. The discussions are an opportunity for students to reveal their understanding of the assignments made for the current and previous classes.
- Assignments are given to prepare the student to participate in class discussions; therefore, it is imperative that reading assignments and associated questions for discussion be completed prior to class.
- A maximum of 10 points will be awarded based on the level and quality of participation and preparation.
- Failure to turn in an assignment within one week will result in a grade of "0" for that assignment. In addition, failure to submit an assignment will lower the final grade by an additional two points.
- All assignments are due as detailed in the Course Schedule.

Late assignments will be accepted, if they are turned in *no later* than one week later, but will be penalized one letter grade. Furthermore, late assignments will lower the student's final grade by an additional one point. (Late assignments will not be accepted for the final assignments the last week of the course to allow timely completion and grades to be submitted).

**Policy
Statements:
University
Policies**

University policies are provided in the current course catalog and course schedules. They are also available on the university website. This class is governed by the university's published policies. The following policies are of particular interest:

Academic Honesty

The university is committed to high standards of academic honesty. Students will be held responsible for violations of these standards. Please refer to the university's academic honesty policies for a definition of academic dishonesty and potential disciplinary actions associated with it.

Drops and Withdrawals

Please be aware that, should you choose to drop or withdraw from this course, the date on which you notify the university of your decision will determine the amount of tuition refund you receive. Please refer to the university policies on drops and withdrawals (published elsewhere) to find out what the deadlines are for dropping a course with a full refund and for withdrawing from a course with a partial refund.

Special Services

If you have registered as a student with a documented disability and are entitled to classroom or testing accommodations, please inform the instructor at the beginning of the course of the accommodations you will require in this class so that these can be provided.

Disturbances

Since every student is entitled to full participation in class without interruption, disruption of class by inconsiderate behavior is not acceptable. Students are expected to treat the instructor and other students with dignity and respect, especially in cases where a diversity of opinion arises. Students who engage in disruptive behavior are subject to disciplinary action, including removal from the course.

Student Assignments Retained

From time to time, student assignments or projects will be retained by The Department for the purpose of academic assessment. In every case, should the assignment or project be shared outside the academic Department, the student's name and all identifying information about that student will be redacted from the assignment or project.

Contact Hours for this Course

	<p>It is essential that all classes meet for the full instructional time as scheduled. A class cannot be shortened in length. If a class session is cancelled for any reason, it must be rescheduled.</p>
<p>Course Policies</p>	<p>Make-Up Requirements</p> <ul style="list-style-type: none"> • For each class hour missed, a one (1) page, double-spaced, typed paper, with one (1) reference will be submitted by the end of the term. The instructor will assign the topic. A four (4) hour class will require four (4) pages supported with (4) references from popular or academic press. • This paper will be graded and incorporated in the class participation grade. If the make-up work is not submitted, the student's final grade will be reduced one (1) letter grade. • (Students are responsible for any class material presented during their absence, and any assignments due should be submitted prior to the absence, if possible).
<p>Weekly Schedule</p>	<p>Pre-Assignment: Pre-Assignment for Week 1: Read Chapter 1 through 3, International Financial Management, Complete Self-Tests (Chapters 1-3); Read Running your Own MNC (www.cengage.com/finance/madura) Read Case Study, Blades, Inc. (Chapter 1-3) (Madura).</p> <p>FOR ALL SESSIONS</p> <ul style="list-style-type: none"> • Read the assigned chapters prior to each class. Be prepared to discuss, analyze, question and critique. • Questions are to be analyzed / researched for class discussion. Homework is to be typed and handed in to the professor on the assigned class date. • All items must be completed. No final grade can be assigned if any part of the course remains incomplete. • It should be noted now that this course will involve an intensive study of international finance and international financial markets. Bearing this in mind, the student is expected to devote time preparing, interpreting, and solving the various quantitative and qualitative problems posed by the course and texts. <hr/> <p>Week 1 THEME: International Financial Environment Topics:</p> <ul style="list-style-type: none"> ◆ Multinational Financial Management ◆ International Flow of Funds ◆ International Financial Markets ◆ Internet Lab Assignment <p>Assignments for Week 2: Read Chapters 4&5</p> <ul style="list-style-type: none"> ◆ Complete Self-tests ◆ Answer: Running Your Own MNC (www.cengage.com/finance/madura)



- ◆ Read Blades, Inc. Case Study

Week 2

THEME: Exchange Rates

Topics:

- ◆ Exchange Rate Determination
- ◆ Currency Derivatives
- ◆ Internet Lab Assignment

Assignments for Week 3: Read Chapters 6, 7 & 8

- ◆ Complete Self-tests
- ◆ Answer: Running Your Own MNC
- ◆ Read Blades, Inc. Case Study

Week 3

THEME: Exchange Rate Behavior

Topics:

- ◆ Government Influence on Exchange Rates
- ◆ International Arbitrage and Interest Parity
- ◆ Relationship Between Inflation and Exchange Rates
- ◆ Internet Lab Assignment

Assignments for Week 4: Read Chapters 9, 10, 11 & 12

- ◆ Complete Self-tests
- ◆ Answer: Running Your Own MNC
- ◆ Read Blades, Inc. Case Study

Week 4

THEME: Exchange Rate Risk Management

Topics:

- ◆ Forecasting Exchange Rates
- ◆ Measuring Exposure to Exchange Rate Fluctuation
- ◆ Managing Transaction & Economic Exposure
- ◆ Internet Lab Assignment

Assignments for Week 5: Read Chapter 13

- ◆ Complete Self-test
- ◆ Answer Running you own MNC
- ◆ Complete Take Home Mid-term Exam (Chapters 1-12)

Week 5

THEME: Long-Term Asset & Liability Management

Topics: Off Site Visit to MNC

- ◆ Turn in Mid-term Exam
- ◆ Direct Foreign Investment

- ◆ Internet Lab Assignment

Assignments for Week 6: Read Chapter 14, 15 & 16

- ◆ Complete Self-test
 - ◆ Answer Running your own MNC
 - ◆ Read Blades, Inc. Case Study
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Week 6

THEME: Long-Term Asset & Liability Management

Topics:

- ◆ Multinational Capital Budgeting
- ◆ International Corporate Governance
- ◆ Country Risk Analysis
- ◆ Internet Lab Assignment

Assignments for Week 7: Read Chapters 17 & 18

- ◆ Complete Self-test
 - ◆ Answer Running your own MNC
 - ◆ Read Blades, Inc. Case Study
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Week 7

THEME: Long-Term Asset & Liability Mgt. (Con't)

Topics:

- ◆ MNC Cost of Capital
- ◆ MNC Capital Structure
- ◆ Long-Term Financing
- ◆ Internet Lab Assignment

Assignments for Week 8: Read Chapters 19, 20 & 21

- ◆ Complete Self-test
 - ◆ Answer Running your own MNC
 - ◆ Read Blades, Inc. Case Study
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Week 8

THEME: Short-Term Asset & Liability Management

Topics:

- ◆ Financing International Trade
- ◆ Short-Term Financing
- ◆ International Cash Management
- ◆ Internet Lab Assignment

Assignments for Week 9:

- ◆ Complete Final Exam (Chapter 13-21)
 - ◆ Complete Final Research Paper (MNC)
 - ◆ Prepare for Final Presentation
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Week 9

	THEME: The Global Economy Topics: <ul style="list-style-type: none">◆ Presentation of Final Paper◆ Turn in Research Paper◆ Turn in Final Exam◆ Course Evaluation
Additional Information	