

Course	FINC 5840 International Finance	
Term	Spring 1, 2010	
Instructor	Name: James A. Chladek, Sr. Phone: 913-685-6002 Email: jchladek@webster.edu jchladek@bluevalleyrec.org	
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	<ul style="list-style-type: none"> • Madura, Jeff, <i>International Financial Management w/CD</i>, 10th Edition, Thompson Learning. ISBN-10:1439038333 • Financial Calculator • Access to Wall Street Journal &/or other business news sources. 	

Grading	Exam 1	30%
	Exam 2	30%
	Assignments	40%
	Total	100%
	<p>The GRADUATE catalog provides these guidelines and grading options:</p> <ul style="list-style-type: none"> • A/A- Superior graduate work • B+/B/B- Satisfactory graduate work • C Work that is barely adequate as graduate-level performance • CR Work that is performed as satisfactory graduate work (B- or better). A grade of "CR" is reserved for courses designated by a department, involving internships, a thesis, practicums, or specified courses. • F Work that is unsatisfactory • I Incomplete work • ZF An incomplete which was not completed within one year of the end of the course. ZF is treated the same as an F or NC for all cases involving G.P.A., academic warning, probation, and dismissal. • IP In progress • NR Not reported • W Withdrawn from the course 	
Activities	<p>Problems/Questions: End-of-chapter problems and questions used to reinforce key concepts.</p> <p>Group Problem Solving: Examination and discussion of a multinational's financial statements for concepts related to course content.</p> <p>Discussion of actual/current business events: Students are expected to regularly read the Wall Street Journal or comparable business periodicals and to actively contribute to class discussions, integrating actual events with concepts covered in class.</p>	
Policy Statements: University Policies	<p>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:</p> <p>Academic Honesty</p> <p>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.</p> <p>Drops and Withdrawals</p> <p>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.</p>	

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

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>Course Policies</p>	<ul style="list-style-type: none"> • Attend Class. Class attendance is expected. • Students are encouraged to participate actively in class in regard to analysis and discussion of reading material, lecture material, problems, and cases. • Class time will be devoted to lecture, discussion, and analysis of assigned problems. Students should complete readings and assigned problems prior to class meetings. Typically, problems are due the week <i>following</i> the corresponding chapter & lecture. (For example, Chapter 2 is discussed in Week One, and the problems are due in Week Two) Written answers should be prepared for all problems. These may be collected periodically and will be instrumental in determining course grades. • Students should expect to spend substantial amounts of time, in and out of class, to keep up with readings and assignments. Frequently, there will not be sufficient time to review all assigned work & topics in the classroom. However, it is an important learning tool to attempt all tasks, and ask questions on any unclear concepts and problems. Help sessions may be scheduled on non-class days. Please ask, if needed. • Required articles may be distributed in class, be on reserve in the library, or one may be required to find the article. • Sometimes circumstances beyond one's control requires that they miss a scheduled class. If necessary, it is the student's responsibility to get any missed lecture notes or handouts. If you are unable to make it to class to turn in an assignment, make arrangements with a classmate to turn in your work &/or contact me prior to class. You are responsible for what takes place or is announced in class. 								
<p>Weekly Schedule</p>	<table border="1"> <tr> <td data-bbox="365 1083 690 1192"> <p>Weekly Schedule</p> </td> <td data-bbox="690 1083 1419 1192"> <p>Pre-Assignment for Week 1</p> <ul style="list-style-type: none"> • Read Chapters 1, 2 & 3. </td> </tr> <tr> <td data-bbox="365 1192 690 1461"> <p>Week 1</p> </td> <td data-bbox="690 1192 1419 1461"> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 1; Globalization and the Multinational Firm • Chapter 2; International Monetary System • Chapter 3; Balance of Payments <p>Assignment for Week 2:</p> <ul style="list-style-type: none"> • Tbd </td> </tr> <tr> <td data-bbox="365 1461 690 1654"> <p>Week2</p> </td> <td data-bbox="690 1461 1419 1654"> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 3; continued • Chapter 4; The Market for Foreign Exchange <p>Assignment for Week 3:</p> <ul style="list-style-type: none"> • tbd </td> </tr> <tr> <td data-bbox="365 1654 690 1948"> <p>Week 3</p> </td> <td data-bbox="690 1654 1419 1948"> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 5; International Parity Relationships and Forecasting Foreign Exchange • Chapter 6; International Banking and Money Market • <p>Assignment for Week 4:</p> <ul style="list-style-type: none"> • tbd </td> </tr> </table>	<p>Weekly Schedule</p>	<p>Pre-Assignment for Week 1</p> <ul style="list-style-type: none"> • Read Chapters 1, 2 & 3. 	<p>Week 1</p>	<p>Topics:</p> <ul style="list-style-type: none"> • Chapter 1; Globalization and the Multinational Firm • Chapter 2; International Monetary System • Chapter 3; Balance of Payments <p>Assignment for Week 2:</p> <ul style="list-style-type: none"> • Tbd 	<p>Week2</p>	<p>Topics:</p> <ul style="list-style-type: none"> • Chapter 3; continued • Chapter 4; The Market for Foreign Exchange <p>Assignment for Week 3:</p> <ul style="list-style-type: none"> • tbd 	<p>Week 3</p>	<p>Topics:</p> <ul style="list-style-type: none"> • Chapter 5; International Parity Relationships and Forecasting Foreign Exchange • Chapter 6; International Banking and Money Market • <p>Assignment for Week 4:</p> <ul style="list-style-type: none"> • tbd
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	<p>Week 4 Topics:</p> <ul style="list-style-type: none"> • Chapter 9; Futures and Options on foreign exchange • Chapter 10; Currency and Interest Rate Swaps <p>Assignment for Week 5:</p> <ul style="list-style-type: none"> • tbd <hr/> <p>Week 5 Mid-term exam</p> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 12; Management of Economic Exposure <p>Assignment for Week 6:</p> <ul style="list-style-type: none"> • tbd <hr/> <p>Week 6 Topics:</p> <ul style="list-style-type: none"> • Chapter 12 continued • Chapter 13; Management of Transaction Exposure <p>Assignment for Week 7:</p> <ul style="list-style-type: none"> • tbd <hr/> <p>Week 7 Topics:</p> <ul style="list-style-type: none"> • Chapter 14; Management of Translation Exposure • Chapter 15; Foreign Direct Investment <p>Assignment for Week 8:</p> <ul style="list-style-type: none"> • Tbd <hr/> <p>Week 8 Special Projects Due</p> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 16; International Capital Structure and Cost of Capital • Chapter 17; Brief; Int'l Capital Budgeting <p>Assignment for Week 9:</p> <ul style="list-style-type: none"> • tbd <hr/> <p>Week 9 Topics:</p> <ul style="list-style-type: none"> • Chapter 18; Multinational Cash Management <p>Assignment for Week 8:</p> <p>Final Exam</p>
Additional Information	None

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