



INTERNATIONAL FINANCE

FIN 4240

Semester- Spring 2017 – A4

Professor Name: Dr. Andrew Fields, University of Delaware
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Course Description

International monetary systems, exchange rate determination, use of currency derivative in hedging and risk management, currency swaps, foreign direct investment, international corporate finance, international capital budgeting, international portfolio investment, Third World debt, privatization, joint ventures.

Prerequisites: FIN:3000.

Course Objectives

As markets become more internationally integrated, foreign markets will have a greater influence on corporate performance. Therefore, an understanding of international financial management is becoming extremely critical to company success. Given this changing environment, it is important that the managers of tomorrow understand how to take advantage of available opportunities in an international setting. This course examines the interrelationships between the international monetary environment and financial planning for the firm. Topics include the international financial environment, exchange rate behavior, exchange rate risk management, and both short-term and long-term asset and liability management. Instruction will be a mixture of lecture, discussion, and exercises. Relevant current financial events will be included as well. Chapter coverage and homework problem assignments will be made for each class. Each student is expected to prepare for class and participate in discussions. We will cover some of the end of chapter problems in class.

Required Text

Fundamentals of Multinational Finance, Moffett, Stonehill and Eiteman, 3rd Ed., Addison-Wesley Longman.
The text will be provided by CIMBA.

Required Equipment: Each student will need to have a financial calculator for use in class. I recommend the TI BA II Plus Financial Calculator and will be using this to demonstrate material in class. However, any of the current models from Texas Instruments or HP is fine so long as your calculator has financial functions (time value of money, bond valuation) and you master the fundamental operation for that specific calculator model. You will need the actual calculator. Having calculator applications on your smart phone will not work for exams.

Grading Policy:

There will be three exams (25% each), two short group (2 students) papers (15%), and current event updates each week (10%). Exam dates are listed in the course outline. Although we may adjust the course outline as the semester unfolds to accommodate the appropriate amount of time for each topic, we still will have the exams on the dates listed in the outline - covering any material that we have completed.

A standard grading scale will be in effect; plus/minus grading will be applied; 97-100 A+, 93-96 A, 90-92 A-, 87-89 B+, 83-86 B, 80-82 B-, etc. There is no "extra work" available as a substitute for poor performance on exams and quizzes. Accepting extra work represents an unfair practice since it is not available to each and every member of the class. Therefore, I will not offer this option to any student now or in the future.

Additional Information

The University of Iowa's Tippie College of Business is the administrative home of this course and governs matters such as the add/drop deadlines, the second-grade-only option, and other related issues. Different colleges may have different policies. University policy specifies that students are responsible for all official correspondences sent to their University of Iowa e-mail address (@uiowa.edu). Recommended grade distribution per Tippie College of Business:

Grade	Core Courses	Required Courses	Elective Courses
A	20%	30%	40%
B	40%	40%	40%
C	30%	25%	15%
D	10%	5%	5%

Attendance Policy

Attendance at all classes and CIMBA sanctioned activities is MANDATORY. All unexcused absences will have the following consequences:

- 1st absence will result in a loss of a 1/3 of a letter grade in that class
- 2nd (cumulative) absence will result in a loss of an entire letter grade in that class
- 3rd (cumulative) absence will result in a dismissal from the program.

Absences due to illness require a note from the CIMBA Office Staff. If a student is sick and cannot attend class, he/she must inform the CIMBA Staff immediately. Failure to do so will result in an unexcused absence.

Grievance Policy

Student concerns regarding this course should first be discussed with me, the faculty member teaching this course. If we can't resolve the complaint, you may contact the CIMBA Director, Brandelle Unkrich (319-335-1041, brandelle-unkrich@uiowa.edu). The Director will review the details of the complaint and involve the Associate Dean of the Undergraduate Programs, as needed.

Academic Misconduct

The Tippie College of Business at the University of Iowa follows an honor code regarding academic misconduct. That code can be found at <http://tippie.uiowa.edu/honorcode.cfm> and includes cheating, plagiarism, unauthorized collaboration, obtaining an unfair advantage, forgery, facilitating academic dishonesty, and misrepresentation. Be sure you are familiar with this code. Students who exhibit academic dishonesty will receive a zero (0) for the assignment or examination involved and may receive an "F" for the class. All incidents of cheating will be reported to the CIMBA staff, as well as to the Senior Associate Dean of the Tippie College of Business. The decision of the professor may be appealed to a Judicial Board. The Honor Code for the Tippie College of Business will determine the appropriate appeal process.

Accommodating Students with Disabilities/Academic Accommodations

A student seeking academic accommodations such as a modification of seating, testing, timing, etc. should first register with Student Disability Services, then contact Shannon Lizakowski (shannon-lizakowski@uiowa.edu) in the CIMBA Office to make further arrangements. See <http://sds.studentlife.uiowa.edu> for more information.

Sexual Harassment

Sexual harassment subverts the mission of the University and threatens the well-being of students, faculty, and staff. All members of the UI community have a responsibility to uphold this mission and to contribute to a safe environment that enhances learning. Incidents of sexual harassment should be reported immediately. If you feel that you are being or have been harassed or you are not sure what constitutes sexual harassment, we encourage you to visit the University website, www.sexualharassment.uiowa.edu/index.php, and to seek assistance from the CIMBA Director, Brandelle Unkrich, at 319-335-1041 or brandelle-unkrich@uiowa.edu.

International Finance
Dr. Andrew Fields - University of Delaware
CIMBA Undergraduate Program – University of Iowa
Spring, 2017 – Block A-4

Date: TBA

Class

Chapter 1: Globalization and the Multinational Enterprise.

Chapter 2: Financial Goals and Corporate Governance; Chapter 3: The International Monetary System;

Chapter 4: The Balance of Payments.

Chapter 5: The Foreign Exchange Market.

Chapter 6: International Parity Conditions.

Paper 1 due; The Credit Crisis of 2007-2009.

Exam 1 – Chapters 1-6.

Chapter 7: Foreign Exchange Rate Determination and Forecasting.

Chapter 8: Foreign Currency Derivatives.

Chapter 8: Foreign Currency Derivatives continued; Chapter 15: Interest Rate and Currency Swaps.

Paper 2 due; Chapter 15: Interest Rate and Currency Swaps continued.

Chapter 9: Transaction Exposure.

Chapter 9: Transaction Exposure continued; Chapter 10: Operating Exposure.

Chapter 11: Translation Exposure;

Exam 2 – Chapters 7-11, and 15.

Chapter 19: Multinational Capital Budgeting.

Chapter 12: The Global Cost and Availability of Capital.

Chapter 13: Sourcing Equity Globally; Chapter 14: Financial Structure and International Debt.

Chapter 18: Political Risk Assessment and Management

Chapter 22: Working Capital Management.

Final Exam – Chapters 12-14, 18, 19, and 22.

Please note that the material coverage is tentative and the chapters covered may change.