



INTERNATIONAL FINANCE

FIN 4240

Semester- Spring 2018

Professor Name: John Stocker

TENTATIVE SYLLABUS

Professor Email: stocker@udel.edu

Course Description

This course examines the international monetary environment and its impact on financial planning for the firm. Topics include the international monetary system, determination of exchange rates, tax regulations, direct investment theory, capital budgeting, financing, and risk management.

Course Objective

This course has four main objectives:

1. To give you an appreciation for the applicability of the tools and techniques covered in your master's program in business to ventures/projects anywhere in the world
2. To give you an appreciation of the depth and breadth of the international financial sector and its place in the world of global business
3. To provide an overview of the tools and techniques to identify and manage international business opportunities
4. To demonstrate the application of the tools and techniques of project identification/risk management through a corporate finance setting and the individual investor/business person

Course Materials & Resources

- (1) **Textbook:** Eiteman, Stonehill, and Moffett, *Fundamentals of Multinational Finance*. 3rd edition. The text will be provided by CIMBA
- (2) stocktrak & OANDA investment accounts. Details discussed in class
- (2) **Additional required course readings** provided
- (3) The lecture notes are available in course pack form. *Lecture notes are incomplete – you will need to take notes during class.*

Required Equipment: Each student needs to have access to a scientific or financial calculator for use in class and on exams and is responsible for mastering the fundamental operations of the specific model. It will also be important to have access to a computer. A laptop that will run Microsoft Office (PowerPoint and Excel

specifically) is strongly recommended.

Evaluation:

Grades will be based on the following:

Exams	75%
Investment Simulations	15%
Homework	10%
Total	100%

Exams

There will be three exams during the semester. You may prepare (handwritten) and use one sheet of notes on the exams. In the event you are unable to take an exam you must have a valid reason and inform the instructor **before the exam**. Makeup exams will be given at the discretion of the instructor.

Investment simulations

We will do two investment simulations this semester. The first, you will develop an investment philosophy and strategy to drive a simulated investment of \$1,000,000 using stocktrak.com s this class focuses on **International Issues** you are restricted to investing in securities traded outside the US. The second you will use the OANDA trading platform & will focus on currency trading. Both simulations will be discussed in class.

Homework

Several times during the semester I will assign small projects and problem sets for you to turn in. The assignments are designed to reinforce the lessons learned. Homework assignments are a critical part of the course and it is imperative that you complete it to the best of your ability.

Grading Policy

Recommended grade distribution- per Tippie School of Management:

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

Tentative Schedule

Week	Topic	Exams/Project(s) Due
1	Introduction & Current Multinational Challenges and the Global Economy	
2	The International Monetary System & the balance of payments	Investment Simulation begins week 2
3	The Foreign Exchange market & International Parity Conditions	Currency Trading Simulation Week 3
4	Foreign Currency Derivatives, Futures and Options	Exam I - material covered in weeks 1 - 3
5	Interest Rate Risk and Swaps	Problem set 1 Due
6	Transaction Exposure	Problem set 2 Due
7	Operating Exposure	Exam II - material covered in weeks 4 - 6
8	The Global Cost and Availability of Capital	
9	International Tax Management	Problem set 3 Due
10	Multinational Capital Budgeting and Cross-Border Acquisitions	Investment simulation ends
11	Multinational Capital Budgeting and Cross-Border Acquisitions	Exam III - material covered in weeks 7 - 10 & investment simulation write-up due

Additional Required Information

Attendance Policy

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

- a. 1st absence will result in a loss of a 1/3 of a letter grade in that class
- b. 2nd (cumulative) absence will result in a loss of an entire letter grade in that class
- c. 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.