

**Sam Houston State University
College of Business Administration
Department of General Business and Finance
Fall 2007**

COURSE NUMBER: FIN 471W.01
COURSE TITLE: International Finance
INSTRUCTOR: Dr. Kurt Jesswein
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OFFICE HOURS: Monday-Thursday, 9:00 a.m. – 11:00 a.m., Wednesday, 5:00 p.m. – 6:00 p.m. at University Center, or by appointment.

REQUIRED TEXT: *International Financial Management*, 4th Ed., Eun & Resnick, McGraw-Hill/Irwin, 2007. ISBN 0-07-299686-2.

SUPPLEMENTAL MATERIALS: I will periodically supplement information contained on this syllabus or in the classroom with announcements placed on Blackboard or through emails. Thus, it is imperative that you 1) periodically check Blackboard for course updates, and 2) be certain that the email address listed on the Blackboard system is an email account that you regularly access or that you have your emails forwarded to an account you more regularly check. **Your first assignment is to enter Blackboard and complete a brief questionnaire, acknowledging your understanding of the requirements for this course. The assignment is worth 0.2 percent of your overall grade in the course which could be the difference in a letter grade so please take care of it early.**

DESCRIPTION OF COURSE: This course provides the student with a background in international finance by examining financial circumstances/problems unique to the multi-national firm. Some areas of study are international market forces that affect interest rates and currency values, hedging currency positions, and financing capital budgeting for the multi-national firms.

PREREQUISITE: FIN 367.

COURSE OBJECTIVES: You will be introduced to the economic and political environment of international finance and examine how various entities, most commonly multinationals, manage their financial activities in an increasingly global environment. Specifically, we will focus on:
(1) Gaining factual knowledge (e.g., different types of global markets, institutions, and instruments, foreign currency calculations, tools used in managing foreign currency exposures, etc.)
(2) Learning fundamental principles, generalizations, and theories (e.g., factors associated with the appreciation/depreciation of foreign currencies and used in forecasting exchange rates)
(3) Applying your knowledge base in the analysis of different scenarios common to businesses operating in the increasingly global environment.

CLASS MEETINGS: SHB 140 T-TH 11:00 a.m. – 12:20 p.m. beginning on Tuesday, August 21, 2007 and ending with the final exam on Thursday, December 13, 2007 at 11:00 a.m.

COURSE EVALUATION PROCESS: There will be four exams plus a comprehensive final exam, as well as periodic homework problems to be completed. The weighting scheme will be as follows:

Exams	80%
Homework	<u>20%</u>

Total 100%

The exams will be approximately 30-40% multiple choice and 60-70% short problems and analysis questions; this is a writing enhanced class. Exams will be graded and returned to the students for review, normally the next class period after the exam. The exams will then be taken back up to record the grades. If the exam leaves the classroom, a grade of zero will be assigned. Problems with taking any examination(s) on the scheduled date(s) must be discussed with the instructor before the examination. If an exam is missed, a grade of zero (0) will be assigned for the exam. Under rare and unusual circumstances, a make-up exam may be arranged. This highly unlikely occurrence will be at the totally arbitrary discretion of your professor. If more than one exam is missed, a grade of zero (0) will be retained for the other missed exam(s). Students may drop the lowest of the five exam scores. For students opting out of the final exam, the average of the first four exams will be used as a substitute for the score of the fifth exam. For students taking the final exam, the score on that exam can be used to replace the lowest score from the first four exams including any zeros.

Grades in this course are determined by applying the following scale to a student's weighted average:

89.5 – 100	A
79.5 – 89.499	B
69.5 – 79.499	C
59.5 – 69.499	D
Below 59.5	F

The 0.5 rounding rule will be strictly followed (i.e., 89.499 is a "B") but non-quantitative factors such as class participation, improvement on examinations, rank in class, bribery (not really—just wanted to see if you are paying attention), or other extenuating factors will be considered in the grading process.

Steps to making a good grade:

1. Attend class pro-actively.
2. Complete assignments independently and on time.
3. Ask questions as necessary.
4. Allocate enough time in your work schedule to accommodate Steps 1, 2, and 3.

That's it! That's all there is to it! However, some of you will not be able to follow these four simple steps. If you cannot, save your money and drop this course, NOW!

ATTENDANCE: Regular class attendance is necessary to do well in this course and attendance will be taken during each class period. A seating chart will be circulated at the beginning of the second class period. Your seat at that time will become your permanent seat. This will help me learn your names more quickly and help you learn your classmates' names.

AMERICANS WITH DISABILITIES ACT: SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: No accommodation can be made until you register with the Counseling Center.

STUDENT ABSENCES ON RELIGIOUS HOLY DAYS POLICY: Section 51.911(b) of the Texas Education Code requires that an institution excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment

from with the student is excused within a reasonable time after the absence. University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignment(s) and/or examination(s) are to be completed.

OTHER COMMENTS:

- Students are expected to take off their caps, hats, or other headgear while in class.
- No one will be allowed to leave the classroom during an exam until the exam has been completed and returned to the proctor. Also, no student will be allowed to start an exam after the first person has completed the exam and departed the room.
- I expect you to be respectful and courteous to others. Pagers, cellular telephones, and anything else that rings, beeps, boops, or otherwise disturbs the class and/or your instructor should be disabled for the duration of the class.
- During class, you may use your computer only for class-related activities. These include activities such as taking notes on the lecture underway or following the lecture on the PowerPoint slides provided on Blackboard. If you use your computer in ways that are deemed disruptive by your classmates or your instructor, you will be asked to turn the computer off.
- Eating and drinking are prohibited in the classroom.
- We will foster a high degree of academic integrity in this course. Any unauthorized copying or exchanging of information, including plagiarism and collusion, will be dealt with appropriately.

TENTATIVE COURSE OUTLINE

Dates	Topic
8/21	Overview of international finance (Ch. 1)
8/23	International monetary system (Ch. 2)
8/28	Balance of payments (Ch. 3)
8/30	Corporate governance around the world (Ch 4)
9/4-9/11	The market for foreign exchange (Ch 5)
9/13	Exam 1 (Chapters 1-5)
9/18-25	Parity relationships and forecasting exchange rates (Ch 6)
9/27-10/2	Foreign currency futures and options (Ch 7)
10/4	International banking and money markets (Ch 11)
10/9	Interest rate and currency swaps (Ch 14)
10/11	Exam 2 (Chapters 6-7, 11, 14)
10/16	Trade financing (Ch 20)
10/18-10/25	Management of transaction exposure (Ch 8)
10/30-11/1	Management of economic exposure (Ch 9)
11/6	Management of translation exposure (Ch 10)
11/8	Exam 3 (Chapters 8-10, 20)
11/13	International bond and equity markets (Ch 12, 13)
11/15	International investments (Ch 15-16)
11/20	International capital structure and cost of capital (Ch 17)
11/22	Thanksgiving (no class)
11/27-29	International capital budgeting (Ch 18)
12/4	Review
12/6	Exam 4 (Chapters 12-13, 15-18)
12/13	Final Exam (comprehensive)