



BSAS BUSN 3373 International Finance

Instructor:	Tbd
Email:	Tbd
Class times:	Tbd
Office hours:	Tbd

COURSE DESCRIPTION

The International Finance module provides an understanding of finance in the international context. In a globally integrated world, it has become imperative to trade, invest and conduct business operations internationally. The course exposes the students to the opportunities and risks associated with international finance. As the world has become more integrated due to deregulation of financial markets, product innovation and technology, capital markets have kept pace with this integration. The study of international finance has therefore become essential and builds upon the understanding of theoretical concepts of finance and their adaptation to the international context. The course coverage includes historical perspectives and foundations of international finance, the foreign exchange markets and exchange rate determination, exposure management, financial management of a multinational firm. The course also helps students examine the current economic landscape through topical discussions of current economic and political development and their impact on international finance.

Localized Context: With its global presence, CAPA offers students the opportunity to enrich their academic experience by exposing and exploring the localized context of the CAPA city.

Academic Learning Outcomes

After taking this course, students should be able to:

- Gain a broad understanding of the key issues in international finance.
- Develop an understanding of the political and economic context within which international finance operates.
- Apply the various theoretical aspects of the principles of finance in an international context.
- Gain a good working knowledge of the operations and key issues surrounding international

capital flows, foreign direct investment, foreign exchange rate determination and exposure management, international capital markets and institutions, and develop an understanding of how the financial management of a multinational firm works.

DEVELOPMENT OUTCOMES

Students will develop the following skills during this course:

- Problem analysis
- Critical thinking
- Working independently and as part of a team
- Personal reflection

The academic approach of this course incorporates gaining an appreciation of four essential learning and development outcomes: globalisation, urban environment, social dynamics and diversity. Students taking this course will benefit from these rich perspectives.

REQUIREMENTS AND PREREQUISITES

There are no prerequisites, but we encourage students to have a business background. Students from a variety of backgrounds and interests are encouraged to take this class. The course emphasises this academic area from a global perspective. Students with a high degree of motivation and desire to learn about the international and global aspects of business will benefit from this course.

Class Methodology:

This class will be participative and will require students to contribute individually and as part of a team. The course content and delivery will create a framework where students reflect critically on the weekly discussion topics. The students will be expected to devote an hour per day keeping up with the current issues in international finance. (Expected reading sources should include *The Economist*, *Financial Times* and *The New York Times*). The teaching and learning methods will be a blend of the following:

- Lectures
- Reflections & observations
- Readings on current topics
- Class discussions
- Student presentations and/or a research paper.

MyEducation/Field Study: out-of-class requirements

Field trips will be determined based on current events.

ASSESSMENT AND GRADING

Mid-term test: 20%

Research paper & class presentation: 40%

Final exam (cumulative – covers entire course material): 30%

Class participation & field study observations: 10%

Students must complete all required components for this course by the established deadlines. Failure to do so will result in a reduction of the course grade and may result in a grade of F for the course in question.

Research Paper & Class Presentation Assessment Guidelines

Paper submission deadline: week 12

Class presentations: week 11. Provide an outline of your essay, the theoretical background, data and findings of your case study and the conclusions. Please note that this presentation is a group effort and should be limited to 10 slides and 15 minutes (max). There will be a Q&A session following the presentation. The students will be given feedback on their presentations and will be expected to incorporate this feedback into their final research paper submissions.

Research Paper Guidelines

Select any one of the topics that we will be covering in this course. Bear in mind that these topics/chapters are rather broad and you will need to narrow down your research topic significantly. You should identify a small aspect of the theoretical discussion that interests you and focus sharply on it. In other words, you should not be providing a general overview of the chapter(s).

The next step is to identify a case study or identify sufficient data that fits your selected topic. You may choose current or recent economic/financial events or alternatively examine an event/s from a historical perspective. The course outline provides you ample guidance on sources of such data. (Please do not start with a case study and then try to find the theoretical basis for it. This will not be efficient.)

The final step will be to provide a thorough analysis. How does the case study or evidence fit into the theoretical discussion? Are the facts consistent with the theory? Explain why (or why not). What lessons did you learn from this project? This analysis will carry the highest weight for this assignment.

To obtain an A grade, the submission will have to meet ALL three requirements: (1) theoretical discussion; (2) good presentation of case study; and (3) thorough analysis. Any submissions that do not meet all the criteria will be downgraded.

You will provide 3 status updates through the term on the progress you have made to date on your projects. This will enable the lecturer to provide you with the necessary guidance and feedback. It is important that you come well prepared for these status updates.

Localized Context: The students are required to identify relevant research paper topics within the localized context. These research paper topics should be discussed with the lecturer in advance.

Preparatory work would include developing good reading sources to gain a better understanding of the localized context.

Mid-term & Final Exams

The mid-term and final exams will include a combination of quantitative problems and a series of multiple-choice questions. The final exams will be cumulative and cover the entire course material.

Grading Criteria

The International Finance module includes quantitative as well as qualitative assessments. While the final research paper is of a qualitative nature, the midterm and final examinations include quantitative problems as well as multiple-choice questions. The final grade will therefore be the aggregate of the various assessments and be weighted as follows: Midterm: 20%; Final exam: 30%; Research paper & presentation: 40%; Class participation: 10%. The overall grading matrix is shown below:

Descriptor	Alpha	GPA	Requirement
Excellent	A	4.0	Shows superior use and understanding of extensive literature beyond the textbook and notes
	A-	3.7	
Good	B+	3.3	Shows significant use and understanding of extensive literature beyond the textbook and notes
	B	3.0	
	B-	2.7	
Average	C+	2.3	Shows a clear understanding and some insight into the material in the textbook and notes, but not beyond
	C	2.0	
Below Average / Poor	C-	1.7	Fails to show a clear understanding or much insight into the material in the textbook and notes
	D+	1.3	
	D	0.7	
		1.0	
Fail	F	0	Shows little or no understanding of any of the material

REQUIRED TEXTBOOK AND RECOMMENDED READINGS

International Finance, Eun, Cheol S., Resnick, Bruce G., Sabherwal, Sanjiv (McGraw Hill, 6th Global edition, 2011).

It is fine to use later editions or online versions of the textbook. You could obtain used copies of the book at substantial discounts through the online marketplace. The book is also available for electronic download through the publisher.

Course Schedule

The framework below indicates class-based sessions at CAPA. The schedule may be revised as the term progresses to incorporate field trips and guest speakers.

Weekly class material slides; explanatory notes and relevant additional readings will be posted online. The students are expected to review these materials prior to the weekly session.

Weekly chapter references are from the required textbook – Eun, Resnick & Sabherwal.

Week	Topic
1	<p>Introduction to International Finance</p> <ul style="list-style-type: none"> ➤ Introductions, student interests, relevant prior coursework & experience ➤ Course map, format, required work and assessments ➤ Review of research paper guidelines – detailed guidelines posted in this syllabus ➤ Foundations of International Finance – Chapter 1.
2	<p>International Monetary System & Balance of Payments</p> <ul style="list-style-type: none"> ➤ Chapters 2 & 3 ➤ Historical perspectives of the International Monetary System ➤ Gold standard ➤ Exchange rate regimes – pegs, fixed, floating, currency boards, etc. ➤ Review of historical currency crises ➤ Overview of Balance of Payments
3	<p>Foreign Exchange Markets & Exchange Rate Determination – part 1</p> <ul style="list-style-type: none"> ➤ Chapters 4 & 5 ➤ Function & structure of the foreign exchange market ➤ International finance in practice – market mechanics ➤ Spot & forward rate determination ➤ Interest rate parity.
4	<p>Foreign Exchange Markets & Exchange Rate Determination – part 2</p> <ul style="list-style-type: none"> ➤ Chapters 4 & 5 ➤ Interest rate parity (contd.) ➤ Purchasing Power Parity & International Fisher Effect ➤ Forecasting foreign exchange rates ➤ Foreign exchange futures & options ➤ Other hedging strategies – Money Market Hedge ➤ Carry trades
5	<p>International Capital Markets & Institutions – part 1</p> <ul style="list-style-type: none"> ➤ Chapters 7, 8 & 9 ➤ International Banking & Money Markets ➤ International Bond Markets ➤ Research paper status updates
6	<p>International Capital Markets & Institutions – part 2</p> <ul style="list-style-type: none"> ➤ Chapters 7, 8 & 9 ➤ International Bond markets (contd.) ➤ International equity markets
7	<p>International Portfolio Investment</p> <ul style="list-style-type: none"> ➤ Chapter 11 ➤ International diversification & portfolio risk reduction ➤ Evaluation of risks & opportunities ➤ Impact of changing foreign exchange rates
8	<p>Financial Management of a Multinational Firm – part 1</p> <ul style="list-style-type: none"> ➤ Chapters 12 & 13 ➤ Management of economic, transaction & translation exposure ➤ Key issues in exposure management

	<ul style="list-style-type: none"> ➤ Review of exposure management strategies ➤ Research paper 2nd status updates
9	Financial Management of a Multinational Firm – part 2 <ul style="list-style-type: none"> ➤ Chapters 12 & 13 ➤ Foreign direct investment (FDI) ➤ Theory & practice of FDI ➤ Multinational cash management.
10	International Trade & Taxation <ul style="list-style-type: none"> ➤ Chapters 19, 20 & 21 ➤ Exports & Imports ➤ Review of international tax environment – key issues ➤ Theory vs. Practice ➤ Review of international corporate governance
11	Class Research Paper Presentations <ul style="list-style-type: none"> ➤ Group presentation limited to 10 slides & 12-13 minutes
12	Research paper submission deadline & Review Session <ul style="list-style-type: none"> ➤ Review of quantitative problems ➤ Course review – what have we learned?

ATTENDANCE, PARTICIPATION AND STUDENT RESPONSIBILITIES

Please note that the regulations below are very strict for a specific reason, namely to respond to the expectations of your own colleges and universities. Therefore, please observe these rules; they are not complicated and simply require your attention to detail.

Class attendance and participation

CAPA has a mandatory attendance policy. Students are also expected to participate actively and critically in class discussions, and the participation portion of the class will be graded accordingly. Students must read assignments BEFORE the class, and come in on time.

If you need to miss class for medical reasons or for a family emergency, you must send an e-mail to let the Director of Academic Programs know at least one hour in advance of your class or meeting at the following e-mail: excused.absence@capa.org. Note that calling the CAPA Centre is accepted only if you do not have access to Internet. An e-mail is still required as quickly as you can get access to Internet again. You will need to provide evidence of the reason for your absence. If you miss any meetings without an excused absence by e-mail, your final grade will be dropped accordingly. And when you must miss a class or field trip, you are responsible to speak your instructor and make up any missed assignments.

Participation is a vital part of your grade: students are expected to participate orally in seminars, and in online forums and discussions, in a critical and evaluative manner; to approach professors and fellow students with respect and tolerance; and to actively engage in debate, while avoiding derogatory or inflammatory comments on the cultures or attitudes of others in the class.

CAPA Program and Instructor Policies

The faculty expects from you, the student, and a high level of responsibility and academic honesty. Because the value of an academic course depends upon the absolute integrity of the work done by the student, it is imperative that students demonstrate a high standard of individual honour in his or her scholastic work and class Behavior.

A high standard of individual honour means that you, the student, must attend all classes and never be late (unless with a valid reason). You must be respectful of the professor and of other students by not talking/whispering in class when others are talking or presenting. Persistent lateness or lack of attention in class, i.e. reading materials other than the work set, may result in a low or zero grade for participation, and possible referral to the Vice President of Academic Affairs. No electronic equipment will be used in class, including laptops, phones, iPods, iPads, cell phones, etc., unless you have express permission from the professor. If for any reason a student is obliged to work with electronic equipment, then permission must be obtained from CAPA's Academic Director prior to the class. The International Finance module may require you to bring in your laptop to class to take notes and access informative financial & economic websites.

Certain Behaviors disrupt class, such as a student arriving late, a phone ringing, or a student leaving in the middle of class. Lecturers have the authority to set policies for their classes regarding such disruptive Behavior. All students are expected to respect the learning environment and respect the lecturers' efforts to maintain it.

Academic Integrity

Plagiarism and Cheating

Plagiarism and cheating will be dealt with very seriously, and will be referred to the Vice President of Academic Affairs. Any work submitted by a student in this course for academic credit must be the student's own original work. If you present, as your own ideas, any material copied or extensively drawn from the work of others, then you are plagiarizing — unless you give full citations for your sources. Plagiarism is unacceptable. If it is found, then this will immediately lead to an "F" (Fail) grade for that particular assignment.

Of course, you may make full use of ideas, arguments and information obtained from books, journals, websites, etc., but you must make clear in a footnote whose work you are drawing from. This includes cases of paraphrasing where the idea or the thought of another writer is represented, though not directly quoted. Please note that a citation for paraphrasing is academically acceptable. It could say, for example, "This idea is borrowed from: Author's name, *Title*, Publisher/Website, (date you accessed the website), year of publication, page number."

In addition, copying our own assignment entirely or partially to submit to a second or third professor in another class is considered plagiarism by duplication. This is unacceptable. The same is when you copy your own work, that was written for another assignment or in another context (news-journal, website, blog, etc.), without citation. While this does not implicate the writing of others as you are copying your own work, it is misrepresentation in academic terms because the work handed in to the instructor in this class was not originally written for this specific class, but for another publication or platform. Students risk receiving an "F" (Fail) grade for all the assignments done in classes for which they have duplicated their own work. An exception can be given if the student has obtained the professor's agreement in advance and has correctly provided a reference (citation in text or as footnote or endnote) to his/her other assignment or earlier work. Students, like any author, are allowed to cite their own earlier work.

In cases of blatant and intentional misrepresentation, a student will receive a failing grade for the course and may face disciplinary action before the Vice President of Academic Affairs, which, in extreme cases may result in dismissal from the Program.

Helpful Resources and Tips on how to avoid Plagiarism

1. You quote it, you note it! An interactive tutorial guide on how to avoid plagiarism and how to cite sources:

<http://library.acadiau.ca/tutorials/plagiarism/>

http://www.plagiarism.org/learning_center/citation.html - if you scroll down, you'll find links to all major styles and formats for citing and referencing.

2. How to cite and write a bibliography: Ask your instructor to tell you which citation format to use (the most common are APA, MLA and Chicago). The most important thing is to use one citation and referencing format consistently and accurately throughout your paper.

Behavior during Examinations

During examinations, you must do your own work. Unless specifically instructed by the lecturer or instructor, talking during an exam is not permitted, nor may you compare papers, copy from others, or collaborate in any way. Any failure to abide by examination rules will result in failure of the exam, and may lead to failure of the course and disciplinary action.