



BUSFIN 4255: International Finance Fall 2018

Section 29936 Tues/Thur 11:10am to 12:30pm Converse Hall 139
Section 30072 Tues/Thur 2:20pm to 3:40pm Schoenbaum Hall 300

Instructor: Chad Zipfel zipfel.4@osu.edu
Office: 312 Fisher Hall
Office Hours: Tues/Thur 1-2pm or by appointment

Course Description

International Finance 4255 will provide students with an understanding of the importance of foreign trade and investment. In addition, students will learn how to finance and manage associated foreign exchange and tax impacts. The course is organized into three sections:

1. Overview of international finance markets: including historical perspectives, trade balance of payments, currency markets, forecasting exchange rates, and international parity concepts
2. Financial management of a global company: optimizing translation/transaction impacts of foreign currencies, hedging instruments, managing foreign currency balances/exposures, and effectively operating within an international taxation system
3. International portfolio & corporate investments: understand international bond/equity markets and managing a portfolio of investments

At the end of the course students should have an introductory working knowledge of where to secure global trade and investment information, how to translate and manage foreign currency exposures, and how to assess international investments. This course should be valuable from the perspective of a financial economist, individual investor, corporate finance manager, and an investment manager.

Course Material

Textbook:

International Financial Management, 8th Edition, by Eun and Resnick
Print ISBN: 9781260400854 available at campus bookstores
Digital: available via this [link](#)

The textbook is the primary source of pre-lecture readings and graded problem sets will be mostly derived from the text.

Slides: PDFs of lecture slides will be posted on Canvas ahead of the scheduled class

Case Studies:

We will leverage two HBS cases in the semester. These will be provided by the instructor. You will work in pre-assigned groups, with pre-reading necessary to complete the case study in class.

HBS Can the Eurozone Survive?
HBS Transfer Pricing at Cameco Corporation

Additional Material: Problem sets, articles, etc will be posted on Canvas

Wall Street Journal: Strongly encourage 15 week subscription for \$15. <http://r.wsj.net/nD9L8>

Participation and Attendance



Students are expected to attend all lectures, with emphasis on in-class graded assignments, quizzes, and exams. If you need to miss an occasional lecture, there is no need to notify me. If you skip class regularly, it will be reflected in your grade.

Attendance at quizzes and exams is mandatory. Makeup exams will only be accommodated with evidence of an emergency (e.g. hospitalization). If you miss an exam without permission, then you will receive a zero.

I reserve the right to enact a prohibition of electronic device usage in class if I notice students texting on their phones or browsing the internet in class. I encourage students to use a tablet or laptop to take notes, but only if it does not distract their attention from the lecture.

Disenrollment

University Rule 3335-8-3 provides that a student may be dis-enrolled after the third instructional day of the semester, the first Friday of the semester, or the student's second class session of the course, whichever occurs first, if the student fails to attend the scheduled course without giving prior notification to the instructor.

Communication

If it is necessary to communicate with the class between class sessions, I will send communication via the Carmen Canvas system. Please make sure you have notifications turned on. I will assume that you check your e-mail at least once every 24 hours, Monday through Friday, or talk to classmates who check their e-mail daily. I will also check my osu.edu email once every 24 hours for questions M - F.

Grading (will use standard University grading scale)

In-Class Group Case Studies and Homework Problems (5 x 10 points each)	50 points
Final Group Presentation (Nov 27 th and 29 th)	30 points
Quizzes (3 x 15 points each)	45 points
Midterms (2 x 25 points each)	50 points
Final Exam (25 questions valued at 2 points each)	<u>50 points</u>
	225 total

In-Class Group Case Studies and Homework Problems: This portion of the class is intended to foster teamwork and the ability to handle time sensitive situations with real-world applications.

The two HBS case studies will be posted in advance and it is critical that they are read ahead of time. Class will be dedicated to discussing the situation in your group and providing well thought out solutions and reasoning. Solutions will be turned in at end of class and then graded. Instructor will provide a summary recap at the beginning of next class.

Homework problems will be posted a week in advance of the deadline. These are to be worked in your group outside of class and submitted at the beginning of class as marked on the syllabus due date.

Group Presentations: More information to be shared by October 30th. This will be a culmination of what you have learned this semester, choosing either a Country or Company to analyze. Presentations will be no more than 12 minutes, with 4 minutes for Q&A and feedback. Some questions that you will need to analyze and present:

- 1.) Related to international finance, what is this entity doing well and what should they consider doing differently? Why?
- 2.) What risks do you see on the horizon for this entity?
- 3.) Would you recommend doing business in this country or with this company? Why or why not?

All powerpoints due on 11/27, and attendance is required both days...part of score will be based on your evaluation and questions of other group.



Quizzes: There are 3 multiple choice quizzes over the course of the semester. Quizzes will take place during the first 20 minutes of class on the dates in the course schedule. Students who arrive late to class may take the quiz but will not be given extra time.

Midterm: There are two multiple choice midterms that will take place in class. It will test knowledge retention and application from material in the first two sections of the course.

Final Exam: For our two sections, the final exam times will be as follows:

Section 29936 Tues/Thur 11:10am to 12:30pm = Final is Dec 10th at 12pm

Section 30072 Tues/Thur 2:20pm to 3:40pm = Final is Dec 7th at 4pm

These times are from the registrar's website:

<https://registrar.osu.edu/scheduling/SchedulingContent/AU18Finals.pdf>

The final exam will consist of multiple choice problems. It is cumulative and places more weight on the material not already covered on the midterms.

Groups:

There will be 10 groups in each section (4-5 people per group), with participants finalized first week of semester. Working in groups throughout the semester will afford the opportunity to see and learn from different styles, as well as provide feedback on your group mates at the end of semester. This feedback is meant to be constructive and will be solely for the individual student's use.

TBD Participants

Guest Lecturers:

We will plan to have two-three guest lecturers join us throughout the semester, sharing their extensive knowledge from experiences in their careers. Please make every effort to attend these sessions, be engaged, and bring plenty of questions.

Time Expectations:

The University and College expectation is that students spend two hours outside of class for every hour spent in class. Since this course meets almost 3 hours per week, you should expect to spend around 6 hours per week outside of class on course-related work.

Disability Services

The Office of Disability Services verifies students with specific disabilities and develops strategies to meet the needs of those students. Students requiring accommodations based on identified disabilities should contact the instructor at the beginning of the semester to discuss his/her particular needs. All students with a specific disability are encouraged to contact the Office of Disability Services to explore the potential accommodations available to them.

Standards of Integrity and Conduct

Students are expected to be familiar with and abide by The Ohio State University's code of student conduct, available at <https://trustees.osu.edu/rules/code-of-student-conduct>. In accordance with OSU Faculty Rule 3333-5-487, all instances of academic misconduct will be reported to the Committee on Academic Misconduct, which recommends appropriate sanctions to the Office of Academic Affairs.

Academic misconduct will not be tolerated. According to University Rule 3335-1-31-02, all suspected cases of academic misconduct will be reported to the Committee on Academic Misconduct.



Students are encouraged to discuss the cases and other content of the course with the students in their own section and in other section. However, students should not discuss the content related to the current day's class discussion or exam during the period between sections to avoid giving later sections an unfair advantage.

Tentative Class Schedule

See next page



	Monday	Tuesday	Wednesday	Thursday	Friday
Session 1: Overview of Markets and History	20-Aug	21-Aug	22-Aug	23-Aug	24-Aug
		Intro and Ch 1: Globalization		Ch 2: Intl Monetary System and Historical International Crises	
	27-Aug	28-Aug	29-Aug	30-Aug	31-Aug
		In-class group assignment: HBS Can the Eurozone Survive?		Discuss Case Ch 3: Balance of Payments	
	3-Sep	4-Sep	5-Sep	6-Sep	7-Sep
	Labor Day	Quiz #1 (Ch 1-3) Ch 5: FX Market Overview		Ch 5: FX Market Overview Continued	
	10-Sep	11-Sep	12-Sep	13-Sep	14-Sep
		Ch 6: Intl Parity and FX Forecasting Graded Group Exercise Due		In the News: Tariffs and Brexit	
17-Sep	18-Sep	19-Sep	20-Sep	21-Sep	
	Review for Midterm		Midterm (8/21 through 9/18)		
Session 2: Financial Management of Global Company	24-Sep	25-Sep	26-Sep	27-Sep	28-Sep
		Ch 7: FX Options/Futures		Ch 14: Currency Swaps	
	1-Oct	2-Oct	3-Oct	4-Oct	5-Oct
		Quiz #2 (Ch 7 & 14) Ch 8-10: Firm Exposure and Mgt		Ch 8-10: Firm Exposure and Mgt	
	8-Oct	9-Oct	10-Oct	11-Oct	12-Oct
		Guest Lecturer TBD Graded Group Exercise Due		Fall Break	
	15-Oct	16-Oct	17-Oct	18-Oct	19-Oct
		Ch 21: Intl Tax and Transfer Pricing		In-class group assignment: HBS Transfer Pricing at Cameco Corp	
	22-Oct	23-Oct	24-Oct	25-Oct	26-Oct
	Guest Lecturer Tadd Fowler (VP Tax @ P&G)		Ch 19/20: Intl Cash Mgt and Import/Export Trading		
29-Oct	30-Oct	31-Oct	1-Nov	2-Nov	
	Review for Midterm		Midterm (9/25 through 10/30)		
Session 3: Investing in International Markets and Group Presentations	5-Nov	6-Nov	7-Nov	8-Nov	9-Nov
		Ch 12: Bonds		Ch 13: Equity Markets	
	12-Nov	13-Nov	14-Nov	15-Nov	16-Nov
	Veteran's Day	Ch 15: Intl Portfolio Investment		Ch 16: FDI Graded Group Exercise Due	
	19-Nov	20-Nov	21-Nov	22-Nov	23-Nov
		Quiz #3 (Ch 12, 13, 15, 16) Guest Lecturer J.P. Morgan TBD		Thanksgiving Break	
	26-Nov	27-Nov	28-Nov	29-Nov	30-Nov
		In-Class Presentations: Group 1 - 5		In-Class Presentations: Group 6 - 10	
	3-Dec	4-Dec	5-Dec	6-Dec	7-Dec
	Final Review		no class	2pm class: Final 4pm	
10-Dec	11-Dec	12-Dec	13-Dec	14-Dec	
	11am class: Final 12pm				