
Course Syllabus

BUSFIN 4255 – International Finance

Fall 2017

Class Times and Locations

Monday, Wednesday

- | | | | |
|-----------------|-----------------|---------------------|---------------------------|
| 1. 0010 (4782) | MW 8:00-9:20AM | Schoenbaum Hall 209 | FINAL: Monday 12/11 8AM |
| 2. 0020 (4797) | MW 9:35-10:55AM | Schoenbaum Hall 319 | FINAL: Monday 12/11 10AM |
| 3. 0030 (35773) | MW 12:45-2:05PM | Converse Hall 139 | FINAL: Thursday 12/14 2PM |

Instructor: Jim Sexton
Office: 312 Fisher Hall
Office Hours: M/W 2:30 to 4:00PM and by appointment (please use email)
E-mail: Sexton.151@osu.edu

Course Description and Expectations

International Finance 4255 will provide students with an understanding of the importance of foreign trade and investment and how to finance and manage associated foreign exchange and capital investment activities. The course introduces and is organized into three sections:

1. Balance of Payments, Currencies and International Parity Concepts
2. Currencies, Hedging Instruments and Managing Foreign Currency Exposures
3. International Portfolio & Corporate 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.

Course Resources

Most of the course discussion will be drawn from the textbook: Cheol S. Eun and Bruce G. Resnick, 2017, *International Financial Management*, 8th Edition, McGraw-Hill. Students may elect to use the prior 7th Edition, noting some material will be outdated. Additional articles, slides and MS Excel files will be distributed via Canvas. Although most material will be discussed in class, use of one of these textbooks will enhance student experience.

Cheol S. Eun and Bruce G. Resnick
International Financial Management, McGraw-Hill
8th Edition Print ISBN: 9781259717789
8th Edition Electronic ISBN: 9781259994005
7th Edition Print ISBN: 9780077864605
7th Edition Electronic ISBN: 9780077629250

The Instructor reserves the right to make and communicate changes to this Syllabus.

Course Evaluation

Student performance will be evaluated on a combination of examinations, exercises and classroom participation as follows.

Component	Contribution
Exercises, 1 Problem Set, 4 Case Studies, 7.5% Each	30%
Quizzes, 2, 5% Each	10%
Mid-Term (material through October 4 th)	25%
Final Exam (emphasis on 2 nd half)	35%
Attendance, Participation (discretionary)	5%
Total Possible and Applied	105%, max of 100% applied

Final grades will be award using the standard OSU undergraduate scale as presented below. Since the potential total contribution (above) exceeds 100%, students have the opportunity to boost their final grade by emphasizing all parts of the course evaluation. Otherwise there will be no curve adjustment.

CUMULATIVE SCORE	GRADE	CREDIT / HOUR
93-100%	A	4.0
90-92%	A-	3.7
87-89%	B+	3.3
83-86%	B	3.0
80-82%	B-	2.7
77-79%	C+	2.3
73-76%	C	2.0
70-72%	C-	1.7
65-69%	D+	1.3
60-64%	D	1.0
LT 60%	E	0.0

Attendance & Class Participation (0-5%, expect 5% mid with +/- 5% adjustment)

Class participation will be awarded on an individual basis at the sole discretion of the Instructor with emphasis on attendance and classroom interaction.

Student Exercises (30%)

The instructor anticipates having a combination of short problem exercises and team case studies with in-class presentations. Points available will be clearly articulated for each exercise. Emphasis will be placed on timely completion of the exercises (a clear attempt to complete the

The Instructor reserves the right to make and communicate changes to this Syllabus.

exercise will gain 50% the points allotted) plus the quality and accuracy of the content submitted (the other 50% of points allotted).

Quizzes (10%), Mid-Term (25%) and Final (35%) Exams

At least one quiz will be given prior to the date students can drop course without a “W” (which is Friday 9/15). A second quiz is scheduled in the 2nd half. Quizzes will be open book & notes. The mid-term and final exams will be closed book and notes. Questions may include true/false, multiple choice, short essay/explanations and solving short problems. The point value of each question will be clearly articulated. At the instructor’s sole discretion, any specific question may be withdrawn if found to be widely misunderstood or cause unintended errors. Material may be drawn from the textbook readings, class slides, and in-class discussions. Class time will be allocated to preview material prior the mid-term and final. Exams must be taken on the scheduled dates and times. Exceptions must be pre-arranged.

Appeals

Your instructor will exercise diligence and objectivity in evaluating exercises and exams. Perceived errors in grading may be appealed in writing within 1 week after the graded work is returned. The perceived error should include reference to the specific question or exercise and explanation of how the grading may be incorrect. The instructor will be pre-disposed to retain the original score unless a clear discrepancy is identified.

Academic Integrity

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University’s Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University’s Code of Student Conduct and this syllabus may constitute “Academic Misconduct.”

The Ohio State University’s Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: “Any activity that tends to compromise the academic integrity of the University, or subvert the educational process.” Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University’s Code of Student Conduct is never considered an “excuse” for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct. You can find the full Code at:

<http://trustees.osu.edu/rules/code-of-student-conduct/>

The Instructor is obligated by University Rules to report suspicions of misconduct to the Committee on Academic Misconduct.

The Instructor reserves the right to make and communicate changes to this Syllabus.

Accommodation, Disability Services

The Student Life Disability Services (SLDS) <http://www.ods.ohio-state.edu/> verifies students with specific disabilities and develops strategies to meet their needs. Students requiring accommodations based on identified disabilities should contact the Instructor at the beginning of the term to discuss their particular needs. Students with a specific disability are encouraged to contact SLDS to explore potential accommodations available to them.

Other

Electronic Devices

Use of electronic devices in the classroom can be disruptive to the user, other students and the Instructor. Students may use electronic devices for following slide presentations, taking notes and doing in-class exercises. Students should silence and put away phones and use other electronic devices coincident only with in-class instruction.

Attendance

Regular class attendance will be necessary in order to achieve success. Attendance will have a direct impact on the classroom participation contribution. Exams and exercises may also include materials discussed in the class but otherwise not covered by the textbook or classroom discussion slides. For the convenience of the Instructor, please bring your name card and repeatedly sit in the same seat during each class.

Out-of-Class Preparation

Students are expected in advance to be prepared for each in-class session. Out-of-class preparation includes assigned readings, review of Excel files and student exercises. Students should expect to spend roughly 3 hours per week outside for class preparation. Out-of-class time requirements may not be consistent; some sessions may require minimal time whereas student exercises may take several hours total. Plan accordingly.

Course Schedule

The week-by-week course schedule follows. Class activities have been organized consistent with the four major sections (above). Adjustments in the schedule may be necessary as the course progresses.

The Instructor reserves the right to make and communicate changes to this Syllabus.

Course Schedule
Fall 2017 Semester

BUSFIN 4255
International Finance

Week	Day	Reading	Classroom Activity / Discussion
Section 1: Balance of Payments, Currencies and International Parity Concepts			
1: Aug 21-23	Mon 8/21	No Class	Course objectives, schedule, and grading. Team formation.
	Wed 8/23	Chapters 1&2: Globalization and the Int'l. Monetary System	Course objectives, schedule, and grading. Chapters 1&2.
2: Aug 28-30	Mon 8/28	XLS: IMF Economic Data Chapter 3: Balance of Payments	Finish Chapter 2, start Chapter 3
	Wed 8/30	WTO/OECD Trade Value Added XLS: IMF Balance of Payments	Finish Chapter 3 plus Trade in Value Added Terms
3: Sep 4-6	Mon 9/4	Labor Day, No Class	
	Wed 9/6	Chapter 5: The Market for Foreign Currency	Chapter 5: FX Quotes, Bi-lateral FX, including bid-ask spreads
4: Sep 11-13	Mon 9/11	Chapter 5 Continued	Tri-Angular Arbitrage, Forward Rates
	Wed 9/13	FX Problems Due	FX Problem Review, Quiz on FX
	Fri 9/15	REMINDER: Last day to drop class without a "W"	
5: Sep 18-20	Mon 9/18	Chapter 6: International Parity Relationships	Purchasing Power Parity, Interest Rate Parity
	Wed 9/20	Chapter 6 Continued plus IMF Currency Data	Examining Parity Concepts: Nominal and Real Effective Exchange Rates
Section 2: Hedging Instruments and Management of Foreign Currency and Financial Exposures			
6: Sep 25-27	Mon 9/25	Chapter 11: International Money Market (p. 272-281) Chapter 7: Futures Contracts (p. 173-180)	Eurocurrency, LIBOR, Forward Rate Agreements, Futures Contracts, FX Forwards & Futures
	Wed 9/27	Chapter 14: Interest Rates and Currency Swaps	Interest Rate and Currency Swaps
7: Oct 2-4	Mon 10/2	Chapter 7: Foreign Exchange Options	FX Options
	Wed 10/4	Boeing Mini Case Due	Review of Boeing Mini Case, Mid-Term Review
8: Oct 8-10	Mon 10/8	Mid-Term	Mid-Term
	Wed 10/10	Fall Break, no Class	Mr. Sexton N/A rest of week.
9: Oct 16-18	Mon 10/16	Chapter 8: Management of Transaction Exposure	Measuring and Managing Transaction Exposures
	Wed 10/18	Chapter 8 Continued Chapter 9: Management of Economic Exposures	FX Case Introduction plus Measuring & Managing FX Economic Exposure
10: Oct 23-25	Mon 10/23	Chapter 9 Continued Chapter 10: Accounting Translation Exposure	Understanding Translation Exposure

The Instructor reserves the right to make and communicate changes to this Syllabus.

	Wed 10/25	Quiz and Case Study	Quiz on Managing Exposures Open discussion, FX hedge case study
11: Oct 30 & Nov 1	Mon 10/30	FX Hedge Case Due (TBD)	Student Case Presentations
Section 3: International Corporate and Portfolio Investment			
	Wed 11/1	Chapter 12: Int'l Bond Market Chapter 13: Int'l Equity Market	Int'l Bond and Equity Markets, Market Indexes
12: Nov 6-8	Mon 11/6	Chapter 15: International Portfolio Management	Financial Market Data: Returns, Volatilities, Correlations
	Wed 11/8	JPMorgan Long-Term Capital Markets Assumptions	Formulating Investment Outlooks and Portfolio Optimization
13: Nov 13-15	Mon 11/13	Int'l Investment Case Study Due	Student Case Presentations
	Wed 11/15	Chapter 16: Foreign Direct Investment & Acquisitions	Foreign Direct Investment
14: Nov 20	Mon 11/20	Chapter 17: The Int'l Cost of Capital	Portfolio diversification revisited and the Int'l Cost of Capital
15: Nov 27-29	Mon 11/27	Chapter 18: International Capital Budgeting	The Adjusted Present Value Model (APV)
	Wed 11/29	Chapter 21: Int'l Tax and Transfer Pricing	International Taxation and Corporate Transfer Pricing
16: Dec 4-6	Mon 12/4	Case Study Countries & Companies	Student Case Presentations
	Wed 12/6	Final Review	Final Review
17: FINALS	Mon 12/11 Mon 12/11 Thu 12/14	8AM Final #4782 (M/W 8:00) 10AM Final #4797 (M/W 9:35) 2PM Final #35773 (M/W 12:45)	Schoenbaum 209 Schoenbaum 319 Converse 139

The Instructor reserves the right to make and communicate changes to this Syllabus.