

College of Business

TENNESSEE STATE UNIVERSITY

Fall 2012

FINA 4700-80 International Finance Course Syllabus

The right to make revisions to this Syllabus is reserved by the professor.

LOCATOR INFORMATION:

Course Name: FINA 4700-80 International Finance

Credit Hours: 3 Credit Hours

Meeting/Contact Hours: Wednesday, 5:30pm to 8:30pm, AWC 326

INSTRUCTOR: Name: Dr. Dharmendra Dhakal
Office: AWC K418
Phone: 615-963-7345
E-mail: ddhakal@tnstate.edu (**I ONLY use this email**)

Office Hours: Tuesday 2:25pm-5:30pm
Wednesday 1:00pm-5:30pm
Thursday 2:25pm-5:30pm

REQUIRED TEXTBOOK & MATERIALS:

1. REQUIRED CLASS MATERIAL:
Textbook International Financial Management 11th Edition, by Jeff Madura.
2. REQUIRED CALCULATOR **Financial calculator**

I will **UPLOAD** related materials (PPTs) and handouts in your **MYTSU account**, and then you can download them by yourself.

COURSE DESCRIPTION:

Problems in international finance; the balance of international payments; financing international trade; foreign departments of banks; foreign exchange markets; and the impact of international financial problems on business. Prerequisite: FINA 3300.

COURSE OBJECTIVES and LEARNING ENVIRONMENT:

The main objective of this course is to develop an understanding of the international aspect of corporate finance. Topics covered are:

1. International financial environment,
2. Exchange rate behavior
3. Exchange rate risks management
4. Assets and Liability management of Multinational Corporations (MNCs)
5. topics in Money Laundering

By the end of the course students will have a better understanding of how international financial market operate; how MNCs use foreign exchange (forward, future and option) markets to hedge against foreign exchange risks; and will be exposed to international capital budgeting, various types of risk exposures and its management tools.

ACADEMIC INTEGRITY:

Academic honesty and integrity lie at the heart of any educational enterprise. Students are expected to do their own work and neither to give nor to receive assistance during quizzes and examinations. Deliberate violations of academic integrity (plagiarism, cheating, misrepresentation, and fabrication of information) are not tolerated. Actions outlined in the Tennessee State University Student Handbook under Code of Student Conduct will be followed for incidents of academic misconduct.

REASONABLE ACCOMODATIONS:

Any students requiring accommodations should contact Patricia Scudder, Director of Students with Disabilities—Disabled Student Services Office, at 963-7400, preferably before the fourth class meeting. The College of Business, in conjunction with the Office of Disabled Student Services, makes reasonable accommodations for qualified students with medically documented disabilities. I need to be aware of your status if it will affect your class activities and assignments---before assignments are due.

CODE OF STUDENT CONDUCT:

There will be no eating, drinking, sleeping or disruptive behavior in the classroom. Each student is encouraged to participate in classroom activities, ask questions, and work along with the class as recommendations/problem solutions to illustrations, examples, and cases are examined. Additionally, cell phones must be turned off upon entering the classroom and should remain so until class has ended. Action will be taken against those students who do not adhere to appropriate classroom behavior.

ATTENDANCE & LATE WORK:

Be on time; students who arrive late disrupt the discussion and diminish the learning process. If a student is not present, she or he cannot learn from unique thoughts and in sights of group discussion. **Attendance;** roll will be taken during each class meeting. With the understanding that “excessive absences” is defined as three missed classes, or the equivalent; a student may be reported for excessive absence from class.

Attendance, student participation, and enthusiasm are essential ingredients for success in this course. The classroom is an environment that must be conducive to active learning. You must to attend class regularly, read the assigned chapters before class and work relevant problems outside class. Failing to do so make it likely you will not master the material in this class required for future classes. You are responsible for obtaining any information that is given in class in the event you must miss a class.

Your success in this class is important to your instructor.

TEACHING STRATEGIES:

This class meets **ONCE** a week for a total of 3 hours. In this course I will be introducing financial concepts, theory and its applications to International Financial Management. I intend to mix my lectures with numerous examples on how to carry out the financial calculations using financial calculator.

ASSIGNMENTS & EVALUATION CRITERIA:

There will be two mid-term exams and a final worth 100 points each. The exams will be non-comprehensive, that is, questions on each exam will be taken from chapters covered since the last exam. Exam content will be based on PROBLEMS, HOMEWORK, EXERCISE, and EXAMPLES in the textbook and class handouts.

However, you can take a note paper (LETTER SIZE, ONE PAGE, Front to Back) during the tests and bring pens, pencils, erasers, and a calculator.

Course Grade: Your overall course grade will depend on a combination of the following:

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|---|-------------------|
| Exam I | 100 Points |
| Exam II | 100 Points |
| Final Exam | 100 Points |
| Homework, Cases, Attendance and Class Participation | 100 Points |
| TOTAL POINTS | 400 Points |

GRADING SCALE: Your total possible score (400 points) = your percentage score (100%)

- A: 360 - 400 = 90 - 100% of total points
- B: 320 - 359 = 80 - 89% of total points
- C: 280 - 319 = 70 - 79% of total points
- D: 240 - 279 = 60 - 69% of total points
- F: Below 240 Points

COURSE OUTLINE AND TEST SCHEDULE: While deviations will occur, the topics in the course are as follows:

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|-----------------|-----------------|--|--------|
| Week 1: | Aug. 29 | Multinational Financial Mgt. An Overview | Ch. 1 |
| Week 2: | Sep. 5 | International Financial Markets | Ch. 3 |
| Week 3: | Sept. 12 | Exchange Rate Determination | Ch. 4 |
| Week 4: | Sept. 19 | Currency Derivatives | Ch. 5 |
| Week 5: | Sept. 26 | <u>TEST 1 (CH 1-5)</u> | |
| Week6: | Oct. 3 | Government influence on Exchange Rates | Ch. 6 |
| Week7: | Oct. 10 | International Arbitrage & Interest Rate Parity | Ch. 7 |
| Week 8: | Oct. 17 | Relationship between Inflation, Interest Rates & Exchange Rates | Ch. 8 |
| Week 9: | Oct. 24 | Forecasting Exchange Rates | Ch. 9 |
| Week 10: | Oct. 31 | Measuring Exposure to Exchange Rate Fluctuations | Ch. 10 |
| Week 11: | Nov. 7 | <u>TEST 2 (CH 6-10)</u> | |
| Week 12: | Nov. 14 | Managing Transaction Exposure | Ch. 11 |
| Week 13: | Nov. 21 | Managing Economic Exposure and Translation exposure | Ch. 12 |
| Week 14: | Nov. 28 | Direct Foreign Investment | Ch. 13 |
| Week 15: | Dec. 5 | Multinational Capital Budgeting | Ch. 14 |
| Week 16: | Dec. 12 | <u>TEST 3(FINAL EXAM)</u> | |

GOOD LUCK!