INTERNATIONAL FINANCE
FIN 4315

Instructor: H. Swint Friday, Ph.D., CFP
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Email: Swint.Friday@tamucc.edu
Office: OCNR 316
Office Hours: TR: 10:30-11:00am & 12:15–2:00pm; W: 6:00–7:00pm & 9:30–10:00 pm or by appointment

Required Materials:
2. Financial Calculator

Course Description:
FINA 4315, International Finance is a study of the major markets of international finance with focus on corporate financial planning and decision making in a multinational environment. Topics covered include measurement and management of exchange rate risk, financing international trade, short- and long-term asset and liability management, direct foreign investment, cost of capital, capital structure, and country risk analysis. Prerequisites: ECON 2301, ECON 2302, FINA 3310, and Junior Standing or above.

Relationship to Other Coursework:
This course is a Finance requirement. It emphasizes the problems and opportunities specific to corporations with international operations, and presumes a working knowledge of the principles of corporate finance as discussed in FINA 3310 as well as the underlying economic principles covered in ECON 2301 and 2302.

Learning Objective
1. Understand the international financial environment and the role of the currency markets.
2. Understand and explain currency exchange rate behavior.
3. Know methodologies for managing exchange rate risk.
4. Perform long-term asset and liability management analysis.
5. Perform short-term asset and liability management analysis.

Instructional Methodology:
Lectures are supplemented by class discussion, handouts, questions and answer sessions, computer presentations and videos combined with group projects.

Performance Evaluation, Grading and Course Policies:
Test materials come from lecture notes, the text, assigned readings, homework, and class discussion. Test format is multiple choice, multi-part problem solving, and discussion. Questions emphasize understanding and application of concepts and topics covered. Exams are closed book. To protect the integrity of test banks, exams are not returned. However, exams are available for review in my office during scheduled office hours for two weeks after the exam.

Grades will be assigned based on the following weights:
Exam 1 25%
Exam 2 25%
Exam 3 25%
Final Exam – Replaces missed exam grade
Exercises, Participation, and Quizzes 25%

The standard alphabetical grading scale is employed:
A 90 – 100
B 80 - 89.9
C 70 – 79.9
D 60 - 69.9
F 0 - 59.59

Test dates are announced one week prior to the exam date. No early or make-up exams are administered. If you miss an exam, notify me in advance and provide comprehensive documentation from the appropriate entity within one week of the
exam that the absence was an excused University activity, severe illness, or emergency. If these conditions are met, you will take a cumulative final exam to replace the exam you missed. Otherwise, you receive a zero for the exam. Assignments are due at the beginning of the class on their due. Late assignments are penalized 20 percentage points for each day that they are late.

I expect everyone to follow all rules of common courtesy during classroom lecture and discussion. The presence of cell phones and pagers along with disruptive items or actions are prohibited in the classroom. If a pattern of disruptive behavior persists, action will be taken to have the disruptive party removed from the course.

**Oral and Written Communication Requirements:**
Effective written communication is also necessary for exams. Students are expected to participate actively in class discussion of the topics and issues covered in the course, and will be rewarded though their class participation grade for doing so.

**Technological Applications:**
Students are required to use computer applications, computer databases, and online information services for this course.

**Ethical Perspectives:**
Ethics in the context of international finance and business is addressed. Significant discussion is directed towards the similarities and differences in ethical belief systems across cultures and international boundaries. Students will be asked to question why they hold the specific set of ethical beliefs they do and if economic advantages exists for certain ethical beliefs.

**Global Perspectives and Diversity:**
By description, this course is a global course dealing with diversity in its broadest sense. As even small to mid-size firms are now involved in multinational trade and operations, corporate finance is a global activity. The primary focus of this course is on the international aspects of corporate financial management.

**Political, Social, Legal, Regulatory, and Environmental Perspectives:**
The course will consider the structure, laws and regulation of financial markets and economic systems.

**Attendance Policy:**
Attendance is required and is reflected in the student’s participation grade. Every student is responsible for their homework assignments, lecture notes, handouts, and exams. Excuses are not accepted unless a student gains prior permission for missing a class, assignment, or exam. Gaining class notes for missed classes from other students is encouraged. The student is responsible for collecting all handouts and assignments from the professor for all classes that are missed. Excessive absences will result in lower grades.

**ADA Compliance**
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Disability Services Office at (361) 825-5816 or visit the office in Driftwood 101.

**Academic Honesty and Student Ethics Code**
This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at [www.cob.tamucc.edu](http://www.cob.tamucc.edu)) Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

**Grade Appeals**
As stated in University Rule 13.02.99.C2, Student Grade Appeals, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of
days allowed for completing the steps in the process, see University Rule 13.02.99.C2, Student Grade Appeals, and University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Office of Student Affairs.

FINA 4315 Preliminary Schedule***

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<td>PART 1</td>
<td>The International Financial Environment</td>
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<td>1.</td>
<td>Multinational Financial Management: An Overview.</td>
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<td>2.</td>
<td>International Flow of Funds.</td>
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<td>3.</td>
<td>International Financial Markets.</td>
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<td>Appendix 3. Investing in International Financial Markets.</td>
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<td>4.</td>
<td>Exchange Rate Determination.</td>
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<td>5.</td>
<td>Currency Derivatives.</td>
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<td>PART 11</td>
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<td>International Arbitrage and Interest Rate Parity.</td>
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<td>Relationships between Inflation, Interest Rates, and Exchange Rates.</td>
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<td>Forecasting Exchange Rates.</td>
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<td>Measuring Exposure to Exchange Rate Fluctuations.</td>
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<td>Financing International Trade.</td>
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***Subject to change

Fall 2011

August 24, Wednesday Classes begin
August 31, Wednesday Last day to register or add a class
September 5, Monday Labor Day Holiday
November 4, Friday Last day to drop a class
November 24-25, Thursday-Friday Thanksgiving Holidays
December 5, Monday Last day to withdraw from the University
December 6, Tuesday Last day of classes
December 6, Tuesday Last day to apply for May 2012 graduation
December 7, Wednesday Reading Day
December 8-9, Thursday-Friday Final examinations
December 12-14, Monday-Wednesday Final examinations
December 15-16, Thursday-Friday Grading days
December 17, Saturday Fall Commencement