2016

476-01 International Finance

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Xavier University

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Mission of the Williams College of Business: We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition.

Philosophy: The U.S. is totally intertwined within global financial networks – often deeply below the surface. The goal of this class is to use the tools of international finance to examine how market fluctuations and policy decisions made throughout the world affect exchange rates, domestic markets, corporate decisions, and your personal wealth. Overall, the course is divided into two parts. First, we will cover some big picture issues. Given the ongoing distortions in global credit markets, this context is more important than ever. Then we will look at some specifics such as trading in currency futures options, international investing and dealing with exchange rate/political risk.

The Williams College of Business has chosen to emphasize the following learning goals in its undergraduate business curriculum.

1. Critical Thinking: WCB graduates will be able to think logically, reason quantitatively, and utilize appropriate analytical techniques and technology when evaluating and making decisions.

2. Ethics and Social Responsibility: WCB graduates will be able to recognize ethical issues, discern moral implications of decision making, and be prepared, and willing, to serve as responsible and professional members of society.

3. Effective Written and Oral Communication: WCB graduates will be able to organize, support and communicate ideas clearly and effectively, employ multiple mediums of communication (e.g., written, oral and visual), and adapt communication to audience, context or purpose.

4. Global Perspective and Cultural Diversity: WCB graduates will appreciate the historical and cultural contexts of the world in which they live, demonstrate the competencies required for engaging in global business activities, and respect and value diverse peoples and perspectives.

5. Understanding and Application of Knowledge Across Business Disciplines: WCB graduates will be able to evaluate business from an integrative and holistic point of view, leverage the synergies between functional business areas, and demonstrate college-level mastery of their chosen discipline.

6. Personal and Professional Development: WCB graduates will be well-prepared for their future careers and appreciate the importance of continuous professional development and life-long learning.

Course Materials: *Multinational Business Finance*, by Eiteman, Stonehill and Moffett, published by Pearson. I will post additional materials including articles and Power Points on Canvas. All outside announcement will be made through Canvas.
**Classes:** Each class will be a mix of lecture/presentation, discussion, and group problem solving. You are encouraged to participate through questions and comments. Bring your calculator to each class meeting to ensure active learning.

Attendance is not mandatory, however, it is strongly recommended. While I do provide PowerPoint slides, there will be “holes” in them. Students are responsible for all in-class announcements (which will be in the first few minutes of class) and schedule changes. Also, we will begin most classes with a short discussion of issues raised in the news.

**Calculators:** It is the student’s responsibility to obtain a usable calculator before the first exam – no smart phones are allowed during exams NOR may they be visible in any way.

**Technology in the classroom:** Computers, phones, and tablets make you look like zombies when you have your screens on during class. As such, they are not permitted during lectures because they are distracting to you, to your fellow students, and to me. The temptation to watch cat videos and use Snapchat to set up your parties is too strong. I can’t compete with cat videos or your friends.

**Xavier University policies** regarding privacy rights, incomplete work and attendance, and academic honesty will be strictly enforced. If an incident of academic dishonesty occurs, the most severe disciplinary action will be taken. Please see the current University catalog.

**Students with disabilities:** Qualified students with disabilities who will require disability accommodations in this class are encouraged to make their requests to me by sharing their Accommodation Letters with me at the beginning of the semester either during office hours or by appointment. Disability related information is confidential. If you have not previously contacted Disability Services, I encourage you to do so by phone at 513-745-3280, in person on the Fifth Floor of the Conaton Learning Commons, Room 514, or via e-mail to Cassandra Jones at jonesc20@xavier.edu, to coordinate reasonable accommodations as soon as possible as accommodations are not retroactive.

It is my goal that this class be an accessible and welcoming experience for all students. If you are a student with a disability who may have trouble participating or effectively demonstrating learning in this course, contact me to arrange an appointment to share your Accommodation Letters from Disability Services and to discuss your needs. Disability related information is confidential. If you have not contacted Disability Services (located in the Learning Assistance Center) to arrange accommodations, I encourage you to do so by contacting Cassandra Jones, by phone at 513-745-3280, in person on the Fifth Floor of the Conaton Learning Commons, Room 514, or via e-mail at jonesc20@xavier.edu as soon as possible as accommodations are not retroactive.
Office of Student Success: 514 Conaton Learning Commons  
Phone: 513-745-3036   Email: studentretention@xavier.edu

The Staff in the Office of Student Success is available to assist students to make the most of their Xavier experience. Personal staff consultations, success coaching, referrals to on-campus Solution Centers, and guiding students to effectively navigate their college experience are central to our work.

Grading: I will provide theoretical grade distributions following the first two exams.

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<thead>
<tr>
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<th>Points</th>
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<tbody>
<tr>
<td>Tests (3 at 100 points each)</td>
<td>300</td>
</tr>
<tr>
<td>Homework (3 at 33 points each)</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
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Homework: There will be 3 homework assignments, which will be distributed about one week before they are due. You can work the assignments on your own or in groups of two or three people. I encourage students having difficulty with the problems to see me. All assignments are due at the start of class. As I provide solutions on the due date, NO late assignments will be accepted under any circumstances.

Tests: will be a mixture of short essay questions, True/False questions, and problems. Partial credit is given and all work must be shown on the problems. Any questions regarding grading of assignments or exams must be addressed within one week of return of the graded assignment or exam to the student.

Make-Up Exams: All exams must be taken on the date specified in the course calendar unless I grant approval of a make-up exam PRIOR to that date. Without prior approval, make-up opportunities are limited to documented emergencies, the determination of which is up to my discretion. The sooner you contact me about any problems, the better your chances of working something out. It will be the student’s responsibility to schedule a time for a makeup exam before the next class meets – no exceptions.

Extra credit: To ensure fairness, no individual extra credit work is available. However, there probably will be a few instances where I give the entire class a chance to earn some extra points.
Topic List (subject to change, probably optimistic)

1. Introductory Matters
2. Central banks and negative government bond yields
3. Foreign exchange markets (Chapter 6)
4. International monetary system and methods of affecting exchange rates (drawn partially from Chapter 3)
5. Options in international investing (Chapter 16)
6. Balance of payments (Chapter 4)
7. Parity conditions and forecasting exchange rates (Chapter 7)
8. Currency futures and possibly options (Chapter 8)
9. Economic Exposure and Political Risk – (Chapters 10 to 12, 17)

Important Dates

September 22 – HW #1 due
September 27 – Test #1
October 6 – Fall break – No Class
November 1 – HW #2 due
November 3 – Test #2
November 24 – Thanksgiving break – No class
December 8 – HW #3 due
December 13 (Tuesday of Finals week) – test 3 – 1:00 to 2:50 p.m.