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476-01-02 International Finance

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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 with 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, your job 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 and a rise in populism, 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: International Financial Management, by Jeff Madura, published by Cengage, whatever edition. 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 many “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:
Scientific evidence indicates (1) your IQ falls whenever your phone is visible & (2) taking notes with pencil and paper results in higher test scores than if you type notes into a computer.

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 parties with your friends.

If I have to ask you to put your phone away more than once over the course of the semester, you decidedly will receive the lower grade if you are on the bubble. However, I do understand life sometimes intervenes. If you have a job interview to set or something equally serious, please let me know beforehand and I will make exceptions.

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: 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.
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. I typically follow the standard 90/80/70/60 distribution with the top/bottom 2 or 3 people in each range earning +/- of that grade.

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
</tr>
</thead>
<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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<tr>
<td>Adjustment for texting, etc. in class</td>
<td>up to negative 40 points</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 3, section 1)
4. International monetary system government influence on exchange rates (Chapter 6)
5. International Flow of Funds (Chapter 2)
6. Parity conditions (Chapters 7 & 8)
7. Currency derivatives (Chapter 5)
8. International investing (Chapter 3, sections 4 & 5, appendix)
9. Economic Exposure and Political Risk – (Chapters 10 & 11)
10. Foreign Direct Investment and Political Risk (bits of Chapters 13 & 16)

Important Dates

February 6 (Tuesday) – hw1 due
February 8 (Thursday) – test 1
March 6 & 8 – Spring break – No Class
March 20 (Tuesday) – hw2 due
March 22 (Thursday) – test 2
April 12 (Thursday) – Easter break – No class
April 26 (Thursday) – hw3 due
May 1 (Tuesday of Finals week) – test 3 –
    Section 01 (230 to 400) - 1 p.m. to 2:50 p.m.
    Section 02 (400 to 515) - 4 p.m. to 5:50 p.m.