

BUSM 432: International Finance
Fall 2010
Professor: Erin Frederick

Class time: 2:30-3:30pm Monday, Wednesday & Friday
Class location: McKay 175
Course prerequisites: Business Core, Management Core, BUSM 301
Office hours: Monday & Wednesday 11:00-1:00 pm., or by appointment
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TA: Vijay

COURSE OBJECTIVES

With the rapid globalization of the world economy, the managers of a firm have to understand that their decisions will be greatly influenced by variables such as exchange rate policies, trade policies, international accounting standards, etc. The goal of this course is to help students understand how the managers of a firm function in this increasingly uncertain environment. This course will focus on four main areas of international finance: (1) key economic theories, (2) various financial instruments for risk management, (3) exchange risk management, and (4) international financing and investment issues.

1. Understand the environment and factors associated with foreign exchange rate determination.
2. Demonstrate knowledge of foreign exchange terminology.
3. Demonstrate knowledge of the various forms of financial instruments available for foreign exchange risk management.
4. Understand key economic theories that underlie the foundation of foreign exchange risk management.
5. Demonstrate knowledge of basic strategies and techniques associated with foreign exchange risk management.
6. Use of a spreadsheet program to analyze data.
7. Use of the Internet to acquire necessary information.

REQUIRED TEXTBOOKS

1. Text: *Fundamentals of Multinational Finance* (3rd Edition) by Michael Moffett, Arthur Stonehill & David Eiteman.
2. *Class Notes*: Includes hard copy of the computer slides presented in class and cases that will be covered in class.

Calculator

You must have a financial calculator to get through the course. I recommend using the HP-12C. Please bring your calculator to class. I will be using one in class and expect you to follow along. *Programmable calculators are not recommended, as they are not allowed in exams.*

Exams are administered through Blackboard. Some problems are excel-based.

RECOMMENDED READING

1. *The Wall Street Journal*
2. *Business Week*

DEPARTMENTAL ASSESSMENT

While supporting all areas of the university, the International Business Management Department specifically focuses on that part of the education philosophy that deals with building a foundation in core subjects and the disciplines with a global perspective. There are ten learning outcomes students need to achieve before graduation. This course covers four of them.

Learning Outcome	Extent	Outcome Will Be Covered	Means of Assessment
Demonstrate knowledge of fundamental area of business	High	Readings, Class Discussions, Lectures	Quizzes and exams
Knowledge of international business basics	High	Readings, Discussions, Lectures	Class Discussions, Homework, Exams
Intercultural Understanding	High	Discussions, Lectures, Assignments	Class Discussions, Class Assignments
Ethic Behavior	High	Discussions, Lectures	Class Participation
Be able to solve problems	High	Problems following Chapter Discussion	Discussion section reviews
Teamwork Skills	Medium	Discussions, Lectures	Class Assignment
Communication Skills	Low	Class Discussions	Class Participation
Business Plan Preparation Skills	Medium	Readings, Discussions, Lectures	Quizzes and Exams

COURSE EVALUATION

Requirements for the course include quizzes (8), examinations (4), assignments (4), case write-ups/class participation and the final examination. Class participation may alter your grade by as much as one level. The final grade is not “curved.” I do not assign letter grades to individual exams and homework assignments. However, I will give you complete distributions for each grade and you can apply the scale indicated above.

Quizzes	40 pts
Exams (1-4)	1100 pts
Final Exam	150 pts
Assignments (4)	500 pts
Case Write-Ups/Class Participation	450 pts
Total	2250 pts

Examinations: Examinations will consist of multiple choice questions and numerical problems. All exams are closed-book, closed-notes. A single 5x7 note card will be allowed. Each exam will cover the required readings from the text and all the material covered in class. Each student is expected to have a financial calculator or be

knowledgeable in the use of Excel for exams.

Assignments: Each student is responsible for turning in her or his homework on the due dates. You get full credit for an honest effort in doing the homework and turning it in on time. While end of chapter problems are not assignment, I encourage you to work on these problems with your classmates or in teams. Certain assignments allow for discussion in groups, but each must be turned in individually. Individual assignments are expected to be worked on and completed individually!

Violations of academic integrity standards will be treated seriously. "The use of unauthorized materials, communication with fellow students during an examination, attempting to benefit from the work of another student, and similar behavior that defeats the intent of an examination or other class work is unacceptable to the University. It is often difficult to distinguish between a culpable act and inadvertent behavior resulting from the nervous tensions that accompany examinations. Where a clear violation has occurred, however, the instructor may disqualify the student's work as unacceptable and assign a failing mark on the paper."

Make-up Exams: "No makeup exams or final exams will be allowed." If you have an extenuating circumstance that prevents you from taking the exams, discuss your reasons with me **BEFORE** the time of the exam. In addition, **you must be able to document your extenuating circumstance.**

Grading Scale:	90-100%	A
*To be adjusted	80-89%	B
if necessary	70-79%	C
	60-69%	D
	Below 59%	F

EXPECTATIONS

There are certain basic skills a student is expected to possess or acquire for this course:

- 1. Math skills:** A student is expected to know the most basic math skills such as high school algebra for this course. If you feel that you are not proficient in such skills, it is highly recommended that you brush up on them as soon as possible.
- 2. Spreadsheet skills:** A student is expected to know the most basic spreadsheet skills such as entering data, creating new columns and rows, creating basic formulas, etc. There will be several spreadsheet assignments throughout the semester that a student will need to use such skills.
- 3. Internet skills:** Knowing how to use the Internet for research purposes has become an increasingly important skill for today's students. You are expected to acquire a variety of Internet skills such as sending e-mail, performing searches using search engine, etc. by the end of the semester.

CLASS POLICIES

- Attendance is expected for this course. Even though you have the lecture notes in advance, we do go over other examples in class that are not in the course packet. As a result, you might not be able to understand some of the materials if you miss classes.
- Participation is essential in the classroom. Even though a student's grade is not dependent on classroom participation, it will become a factor when making decision on borderline cases.
- Respect your classmates and refrain from unnecessary chatting during class. If you feel like you need to do so, please conduct such conversation outside the classroom.
- We will be going over examples in class and many of them required the use of a calculator, so remember to bring one with you every time.
- Unless under extreme circumstances, you need to provide the professor with acceptable excuses (at least 1 week in advance) if you are going to miss any of the exams. Failure to do so will result in a zero for the missed exam.

ATTENDANCE AND PARTICIPATION

In all courses, preparation and participation are important. You should also know that this class will be a highly participatory class. Consequently, I expect that you will do the reading **prior** to attending each session. It would also be useful for you to think about what you have read and, perhaps, even discuss it with other students in the class. This should allow you to come to class with questions regarding the material being covered that day. Of course, your attendance at every class session is expected and participation is considered when assessing a student's course grade. The following criteria will be used in assessing this aspect of your performance.

- You arrive on time every class and stay to the end. Please inform your professor of any emergencies.
- You clearly have done the assigned readings and are prepared to discuss them.
- You ask questions and make comments to stimulate discussion.
- You submit your assignments on time.

STUDENTS WITH DISABILITIES

Brigham Young University-Hawai'i is committed to providing a working and learning atmosphere, which reasonably accommodates qualified person with disabilities. If you have any disability that may impair your ability to complete this course successfully, please contact the students with Special Need **Counselor Leilani Auna** at **675-3999 or 675-3518**. Reasonable academic accommodations are reviewed for all students who have qualified documented disabilities. If you need assistance or if you feel you have been unlawfully discriminated against on the basis of disability, you may seek resolution through established grievance policy and procedures. You should contact the Human Resource Services at **780-8875**.

PREVENTING SEXUAL HARASSMENT

Title IX of the education amendments of 1972 prohibits sex discrimination against any participant in an educational program or activity that receives federal funds, including Federal loans and grants. Title IX also covers student-to-student sexual harassment. If you encounter unlawful sexual harassment or gender-based discrimination, please contact the Human Resource Service at **780-8875** (24 hours).

Honor Code: Students will be required to observe the BYU-Hawaii Honor Code.

Dress and Grooming Standards: Students will be expected to observe the BYU-Hawaii Honor Code standards for dress and grooming. If the instructor in she judgment determines a student attending class in not conforming to the standards, she will ask the student to leave and return to class when he/she adheres to the standards. Your instructor has also signed the Honor Code and strives to live by it and expects respect in the classroom.

Academic Honesty: BYUH students should seek to be totally honest in their dealings with others. They should complete their own work and be evaluated based upon that work. They should avoid academic dishonesty and misconduct in all its forms, including but not limited to plagiarism, fabrication or falsification, cheating, and other academic misconduct (BYU-Hawaii Honor Code). Students failing in maintaining this outlined academic honesty will be reported to the Honor Code Office and suffer penalties in the class, such as loss of assignment points or failing grade for the course.

Plagiarism: Plagiarism, whether intentional or inadvertent, will not be tolerated in this course. Students found plagiarizing will be immediately reported to the Honors Code Office **and** will suffer penalties in the class—receiving a failing grade in the course. **Always, always, always cite the reference!** The following is the description from the BYU-Hawaii Honor Code on Plagiarism:

Intentional plagiarism is a form of intellectual theft that violates widely recognized principles of academic integrity as well as the Honor Code. Such plagiarism may subject the student to appropriate disciplinary action administered through the university Honor Code Office, in addition to academic sanctions that may be applied by an instructor. Inadvertent plagiarism, whereas not in violation of the Honor Code, is nevertheless a form of intellectual carelessness that is unacceptable in the academic community. Plagiarism of any kind is completely contrary to the established practices of higher education, where all members of the university are expected to acknowledge the original intellectual work of others that is included in one's own work. In some cases, plagiarism may also involve violations of copyright law.

Intentional Plagiarism. Intentional plagiarism is the deliberate act of representing the words, ideas, or data of another as one's own without providing proper attribution to the author through quotation, reference, or footnote.

Inadvertent Plagiarism. Inadvertent plagiarism involves the inappropriate, even if not deliberate, use of another's words, ideas, or data without proper attribution. Inadvertent plagiarism usually results from an ignorant failure to follow established rules for documenting sources or from simply being insufficiently careful in research and writing. Although not a violation of the Honor Code, inadvertent plagiarism is a form of academic misconduct for which an instructor can impose appropriate academic sanctions. Students who are in doubt as to whether they are providing proper attribution have the responsibility to consult with their instructor and obtain guidance.