FIN 4367- International Finance
Fall 2018

Course Description/Overview

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This course is an examination of the international monetary system from World War II to present, transition from fixed to floating exchange rates. Emphasis given to interest arbitrage, spot and forward exchange rates, foreign exchange exposure and risk, reducing foreign exchange risk, capital budgeting and import/export financing in the study of multinational finance.

Prerequisite Knowledge

Students should have senior standing at the university level. A basic understanding of the principles of economics, finance, and accounting is strongly advised.

Prerequisites: Finance 3361.

Course Technology

Use of Blackboard is required. All lecture notes, handouts, and assignments will be posted on Blackboard. The instructor will also make important announcements on Blackboard. It is essential that students familiarize themselves with the use of Blackboard. Blackboard support may be contacted by calling (325) 486-6263 or by email at elearning@angelo.edu.

Class Meeting Times

MW 3 p.m – 4:15 p.m.

Technical Support

The Technology Service Center (TSC) may be contacted by calling (325) 942-2911 or 1-866-942-2911 or by email at helpdesk@angelo.edu.
Faculty/Instructor Information

Name: Biqing Huang, Ph.D.
Title: Associate Professor of Finance
Office: RAS 249
Phone: (325) 486-6447
E-Mail: biqing.huang@angelo.edu
Office Hours: Monday & Wednesday - 2:00pm-3:00pm, 4:15pm-4:45pm. Tuesday - 3:00pm-4:00pm.

You are welcome to send emails to, or call the instructor (or leave a voice mail) if you have any questions.

Course Objectives

Learning Objectives:

Course Description: The essential objectives of this course are for the student (1) to acquire factual knowledge and (2) to learn principles and theories. An additional important objective is for the student to acquire professional skills and viewpoints. Topics may include study of underlying forces in international financial relations and the unique problems of international trade, the nature or behavior of foreign exchange rates and managing the impacts of exchange rates on short-term and long-term international business activities, foreign direct investments decisions, and international capital budgeting. Other topics covered include international banking, the balance of payments, and the Asian financial crisis. Upon completion of this course, you should be able to solve financial problems, gather and analyze financial data, develop critical thinking, ethical awareness, and communication, collaboration and presentation skills.

1. Demonstrate proficiency in analytical thinking, critical analysis, creativity and problem-solving within an international setting. Understand the business finance function in an interdependent world, and within a multinational firm.
2. Demonstrate competency in interpersonal, oral, and written communications with topics related to international finance.
3. Demonstrate knowledge of contemporary theory and practice in finance.
4. Demonstrate acceptable ethical awareness and moral reasoning. Understand how different social, cultural, political, and legal environment affect the finance function globally.

5. Demonstrate knowledge of how international investments can help to offer diversifications and so benefit financial decisions.

**Assessment Methods:**

Goal 1 is assessed through in class and take-home assignments, and quizzes.
Goal 2 is assessed through group assignments, group project(s), and group presentations.
Goal 3 is assessed through in class and take-home assignments, quizzes, and exams.
Goal 4 is assessed through in-class assignments and discussions.
Goal 5 is assessed through in-class assignments and discussions.

**Course Textbook and Required Readings**


**Recommended Readings:** The Wall street Journal, Financial Times, The Economist

Other readings are assigned in a timely manner as needed and are provided to you as PDF, MS Word format, or a link to an online resource will be provided.

**Required Calculator:** Hewlett-Packard 10B-II, or Hewlett-Packard 10B-II Plus

The Hewlett-Packard 10B-II (HP 10B-II), or Hewlett-Packard 10-BII (HP 10B-II Plus) calculator is strongly recommended. All examples shown in class will use this calculator. If you choose to use another, it is your responsibility to learn to use it. Bring the calculator to every class, starting with the second class.
Grading Policies

This course employs the following to measure student learning. Grades may consist of exams, assignments, attendances, quizzes, and project(s). Specific due dates for each will be announced in a timely manner on Blackboard. Students are responsible for being aware of the information.

Course grades will be based on a weighted composite of the following (Please be aware that the instructor reserves the right to change the weights of each grading component):

- Exam I: 20%
- Exam II: 20%
- Final Exam: 35%
- Others (Quizzes, assignments, attendances, project): 25%

Your grade will be assigned to the following achievements. The instructor reserves the right to change the cutoffs presented below.

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<tr>
<th>Letter Grade</th>
<th>%</th>
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<tbody>
<tr>
<td>A</td>
<td>90% and above</td>
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<td>B</td>
<td>80% - 89.99%</td>
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<tr>
<td>C</td>
<td>70% - 79.99%</td>
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<tr>
<td>D</td>
<td>60% - 69.99%</td>
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<tr>
<td>F</td>
<td>Below 60%</td>
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Exams (I, II) and the Final Exam

The tests during the term may consist of multiple-choice questions, short-answer questions, essays, and problems, as appropriate for the material. SCANTRON answer forms will be provided at no cost to students during the term for the multiple-choice questions. The students will need to bring #2 pencil, an eraser, and a financial calculator to each exam. The tests during the term will generally involve about 20-25 questions and they will sample about evenly from both the general concepts and the details presented in the text and in class. The final exam may be comprehensive and will consist of 40 questions covering all course materials.

Feedback will be provided for each test, typically on the first class day following each exam. I will go over the test with the class. However, you are welcome to come by at any point to review your test in more detail if you wish.
Exam Make-up Policy

Please keep in mind that being prepared and taking the tests during the allocated times is your responsibility. I will announce the date of the exams at least two weeks ahead. Missing a scheduled test without approval will result in a zero for that test.

If you cannot be present at an exam, you must discuss your situation with the instructor before the scheduled exam date to determine if a make-up will be permitted.

Make-up exam might be different and more difficult.

Graded Assignments (“Homework”)

There are a total of five manually-graded assignments. I will announce in class and on Blackboard the due date of each of assignments. Late submissions will not be accepted for any reason. Please do not ask if you can submit these assignments late. I will return back the graded assignments to you in a timely manner.

Class Attendance

Course attendance is important, strongly encouraged, and expected. Class lectures and discussions will supplement test materials and will be included as an aspect of the tests. You are responsible for everything that is discussed in class.

I will take attendance randomly during the term. There is always an “excuse” for missing class. Some are legitimate such as illness. You will earn ten points if your attendance is above 92%. You will earn four points if your attendance is between 83%-92%. You will not earn any points if you attendance is below 83%. I reserve the right to give out a grade of “F” if your attendance is below 50%.
Course Policies

Communication with Your Instructor and Fellow Students

You may communicate with me by phone (see my office number listed above), in my office (see office hours above) or by ASU email. I check my ASU email very often during the day, Monday through Friday, 8:00 a.m. to 5:00 p.m. I may or may not be able to check my email on the weekend, holidays, or in the evenings, so you should plan your work accordingly.

You should also check your ASU email account and Blackboard on a regular basis for communications and announcements about your class.

Academic Honesty and Integrity

Angelo State University expects its students to maintain complete honesty and integrity in their academic pursuits. Students are responsible for understanding and complying with the university Academic Honor Code ([www.angelo.edu/content/files/17358-university-honor-code](http://www.angelo.edu/content/files/17358-university-honor-code)) and the ASU Student Handbook([http://www.angelo.edu/content/files/17187-2014-15-student-handbook](http://www.angelo.edu/content/files/17187-2014-15-student-handbook)).

It is the professor’s intention to be as fair and impartial as is humanly possible. Therefore, all students will be asked to adhere to the same set of guidelines and rules UNLESS there are disabilities or documented extenuating circumstances that have been discussed with the professor and the Student Life Office. Please make sure you inform the professor as soon as any situation arises. Do NOT wait until the problem is compounded by poor class performance, poor attendance, etc.

Academic integrity is expected. This includes, but is not limited to, any form of cheating, plagiarism, unauthorized sharing of work, or unauthorized possession of course materials. The professor assumes that all students can be trusted. Please do not violate this trust. Violation of academic integrity will result in a failing grade for the course.
**Syllabus**

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**Courtesy and Respect**

Courtesy and Respect are essential ingredients to this course. We respect each other's opinions and respect their point of view at all times while in our class sessions. The use of profanity & harassment of any form is strictly prohibited (Zero Tolerance), as are those remarks concerning one's ethnicity, life style, race (ethnicity), religion, etc., violations of these rules will result in immediate dismissal from the course.

**Accommodations for Disability**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.15 Providing Accommodations for Students with Disabilities), the Student Life Office is the designated campus department charged with the responsibility of reviewing and authorizing requests for reasonable accommodations based on a disability, and it is the student's responsibility to initiate such a request by contacting the Student Life Office at (325) 942-2191 or (325) 942-2126 (TDD/FAX) or by e-mail at Student.Life@angelo.edu to begin the process. The Student Life Office will establish the particular documentation requirements necessary for the various types of disabilities.

**Student absence for religious holidays**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.19 Student Absence for Observance of Religious Holy Day), a student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.

**Course Drop**

To view information about how to drop this course or to calculate important dates relevant to dropping this course, you can visit


**Incomplete as a Course grade**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.11 Grading Procedures), the grade I is given when the student is unable to complete the course because of illness or personal misfortune. An I that is not removed before the end of the next long semester automatically becomes an F. A graduate student will be allowed one year to remove a grade of I before it automatically becomes an F. To graduate from ASU, a student must complete all I's.
Grade Appeal Process

As stated in the Angelo State University Operating Policy and Procedure (OP 10.03 Student Grade Grievances), 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 Operating Procedure 10.03 at:

http://www.angelo.edu/content/files/14196-op-1003-grade-grievance.

Student conduct in class:

- All students are expected to exercise self-discipline and respect for the rights of others at all times. Please do not talk in class to others while the instructor is presenting. If you have a question please ask the instructor. Students acting in a disruptive manner will be asked to leave the classroom.
- Please turn off all noise making sources (cell phones and pager ringers, for example) so that it does not distract others. Also refrain from texting or “surfing the internet” during class. If you feel the need to do this please leave the classroom and do not distract those around you.
- If you need to leave class early, please let the instructor know beforehand; if you have to leave due to unexpected reasons, please send the instructor email no later than 24 hours after the class. Leaving early without letting the instructor know the reasons will result in 30 points deducted from your grade each time you do that.

Email manners: Please include subject, titles or name of the person you are writing to, content, and your names. Usually the instructor will respond within three hours. The instructor will not respond to emails that are not written in good manners.

Course Revision: Any revisions to this syllabus will be announced in class and supersede this syllabus. Students are responsible for being aware of these changes.
**Syllabus**

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**Tentative class schedules**

*We are going to discuss the followings chapters. *Adjustments will be made if necessary based on actual progress. I will announce the dates of exams/assignments at least one week in advance in class and in blackboard.* The students are responsible for being aware of the information.*

Chapter 1  Multinational Financial Management: An Overview  
Chapter 2  International Flow of Fund  
Chapter 3  International Financial Markets

**HW 1 upon completion of Chapter 1-3.**

Chapter 4  Exchange Rate Determination  
Chapter 5  Currency Derivatives  
Chapter 6  Government Influence on Exchange Rates

**HW 2 upon completion of Chapter 4-6.**

Exam I upon completion of Chapter 1-6.

Chapter 7  International Arbitrage and Interest Rate Parity  
Chapter 8  Relationships among Inflation, Interest Rates, and Exchange Rates  
Chapter 9  Forecasting Exchange Rate

**HW 3 upon completion of Chapter 7-9.**

Exam II upon completion of Chapter 7-9.

Chapter 10  Measuring Exposure to Exchange Rate Fluctuations  
Chapter 11  Managing Transactions Exposure  
Chapter 14  Multinational Capital Budgeting

**HW 4 upon completion of Chapter 10, 11, and 14.**

Chapter 17  Multinational Capital Structure and Cost of Capital

**Project presentations upon completion of Chapter 17.**

Chapter 18  Long-Term Debt Financing  
Chapter 20  Short-Term Financing

*Final exam will be on Dec 12, 2018 from 3:30pm-5:30pm. The final may be cumulative.*