

# FIN 4367- International Finance

## Fall 2021

### Course Description/Overview

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#### Course Description

This course is an examination of the international monetary system from World War II to present, transition from fixed to floating exchange rates. Emphasis is 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](mailto:elearning@angelo.edu).

#### Class Meeting Times

TR 3: 30 p.m – 4:45 p.m.

This will be a Face-to-Face class held on ZOOM. **You MUST attend virtually** during each class, Tuesday/Thursday 3:30 pm to 4:45 pm, by signing into ZOOM room:

Conference ID: 779 657 5610

Password : 8PU0EY (0 is zero, not "oh")

**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](mailto:helpdesk@angelo.edu).

**Faculty/Instructor Information**

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**Name:** Biqing Huang, Ph.D.  
**Title:** Associate Professor of Finance  
**Office:** RAS 249  
**Phone:** (325) 486-6447  
**E-Mail:** [biqing.huang@angelo.edu](mailto:biqing.huang@angelo.edu)

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

**Office Hours** (Virtual on ZOOM): please email the instructor to make an appointment.

ZOOM Conference ID : 779 657 5610  
Password : 8PU0EY (0 is zero, not "oh")

**Course Objectives**

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The **essential objectives** of this course are for the student (1) to acquire factual knowledge, (2) to learn financial principles and theories, and (3) to acquire professional skills and international views. 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.

**Student Learning Outcomes (SLO)**

Upon completion of this course, students will be able to:

1. Identify and differentiate theories related to why MNCs pursue international business, including theory of comparative advantage, imperfect markets theory, and product cycle theory.
2. Critique the performance of U.S. parent companies' stocks and compare it to that of S&P 500. Make investment recommendations.
3. Define theories related to interest rate parity and purchasing power parity.
4. Compare and contrast U.S. and international differences in social, cultural, political, and legal areas within the finance sector.
5. Describe, discuss, and explain how international investments can provide diversifications that benefit financial decisions.

**Assessment Methods:**

SLO 1 is assessed through multiple-choice exam questions.

SLO 2 is assessed through group project and presentations.

SLO 3 is assessed through multiple-choice exam questions.

SLO 4 is assessed through group project and presentations.

SLO 5 is assessed through quiz essay question.

**Course Textbook and Required Readings**

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**Required Text:** Jeff Madura. *International Financial Management*, 13<sup>th</sup> ed, 2017.  
South-Western College.

**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

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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:	20%
Others (Quizzes, assignments, attendances, project):	40%

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

<u>Letter Grade</u>	<u>%</u>
A	90% and above
B	80% - 89.99%
C	70% - 79.99%
D	60% - 69.99%
F	Below 60%

Exam information will be discussed in classes.

### **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”)**

I will announce in class and on blackboard the due date of each assignment. **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 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**

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### **1. Communication with Your Instructor and Fellow Students**

You may communicate with me by phone, during virtual office hours, announcements on blackboard, 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 will make announcements on blackboard when there is any update of the course (new materials, new HWs, quizzes, exams, etc). I will respond to your e-mails within 24 to 48 hours during business day. Emails sent on Saturday or Sunday will receive a reply by Monday or Tuesday. If you call and I do not answer, please send an email or leave a message on the voicemail. Please make your message short and leave your phone number and a good time to return your call. The best way to reach me is via email.

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

**2. Policy on Server Unavailability or Other Technical Difficulties:**

Angelo State University is committed to providing a reliable online course delivery system to all users. However, in the event of any unexpected blackboard server outage or any ASU or MyEconLab technical difficulty which prevents students from completing a time sensitive activity, I will extend the due date and provide an appropriate accommodation based on the situation. The accommodations will be made as soon as the ASU IT Department or MyEconLab confirms that there was such a problem. Students should report any problems to the professor through their ASU email account and also email [www.elearning@angelo.edu](mailto:www.elearning@angelo.edu).

Note that this does not apply to individual technical problems that you may encounter on your personal computer. It is the responsibility of the student to work with a reliable computer and Internet connection and plan ahead.

**Email manners:** Please include subject, titles or name of the person you are writing to, content, and your names. Usually I will respond within two business days. I will not respond to emails that do not meet the requirements.

**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.

## ASU Course Policies

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### ***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, which is in both print and web versions of the ASU Student Handbook.

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.

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.

### ***Plagiarism***

Plagiarism is a serious topic covered in ASU's Academic Integrity policy in the Student Handbook. Plagiarism is the action or practice of taking someone else's work, idea, etc., and passing it off as one's own. Plagiarism is literary theft.

In your discussions and/or your papers, it is unacceptable to copy word-for-word without quotation marks and the source of the quotation. It is expected that you will summarize or paraphrase ideas giving appropriate credit to the source both in the body of your paper and the reference list.

Papers are subject to be evaluated for originality via Turnitin. Resources to help you understand this policy better are available at the ASU Writing Center.

### ***Copyright Policy***

Students officially enrolled in this course should make only one printed copy of the given articles and/or chapters. You are expressly prohibited from distributing or reproducing any portion of course readings in printed or electronic form without written permission from the copyright holders or publishers.

## ***Code of Ethics***

Students, faculty, administrators and professional staff of the Norris-Vincent College of Business should always:

- Be forthright and truthful in dealings with all stakeholders
- Take responsibility for one's actions and decisions
- Serve as an example of ethical decision-making and behavior to others
- Admit errors when they occur, without trying to conceal them
- Respect the basic dignity of others by treating them as one would wish to be treated

## ***Courtesy and Respect***

Courtesy and respect are essential ingredients to this course. We respect each other's opinions and respect others points of view at all times while in our class sessions. The use of profanity and harassment of any form is strictly prohibited (Zero Tolerance), as are those remarks concerning one's ethnicity, life style, religion, etc., violations of these rules will result in appropriate disciplinary actions.

## ***Accommodations for Disability***

ASU is committed to the principle that no qualified individual with a disability shall, on the basis of disability, be excluded from participation in or be denied the benefits of the services, programs or activities of the university, or be subjected to discrimination by the university, as provided by the Americans with Disabilities Act of 1990 (ADA), the Americans with Disabilities Act Amendments of 2008 (ADAAA), and subsequent legislation.

Student Affairs 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 emailing [studentservices@angelo.edu](mailto:studentservices@angelo.edu), or by contacting:

Mrs. Dallas Swafford  
Director of Student Development  
Office of Student Affairs  
University Center, Suite 112  
325-942-2047 Office  
325-942-2211 FAX  
[Dallas.Swafford@angelo.edu](mailto:Dallas.Swafford@angelo.edu)



## **Title IX**

Angelo State University is committed to providing and strengthening an educational, working, and living environment where students, faculty, staff, and visitors are free from sex discrimination of any kind. In accordance with Title VII, Title IX, the Violence Against Women Act (VAWA), the Campus Sexual Violence Elimination Act (SaVE), and other federal and state laws, the University prohibits discrimination based on sex, which includes pregnancy, and other types of Sexual Misconduct. Sexual Misconduct is a broad term encompassing all forms of gender-based harassment or discrimination and unwelcome behavior of a sexual nature. The term includes sexual harassment, nonconsensual sexual contact, nonconsensual sexual intercourse, sexual assault, sexual exploitation, stalking, public indecency, interpersonal violence (domestic violence or dating violence), sexual violence, and any other misconduct based on sex.

You are encouraged to report any incidents involving sexual misconduct to the Office of Title IX Compliance and the Director of Title IX Compliance/Title IX Coordinator, Michelle Boone, J.D. You may submit reports in the following manner:

Online: [www.angelo.edu/incident-form](http://www.angelo.edu/incident-form)

Face to Face: Mayer Administration Building, Room 210

Phone: 325-942-2022

Email: [michelle.boone@angelo.edu](mailto:michelle.boone@angelo.edu)

Note, as a faculty member at Angelo State, I am a mandatory reporter and must report incidents involving sexual misconduct to the Title IX Coordinator. Should you wish to speak to someone in confidence about an issue, you may contact the University Counseling Center (325-942-2371), the 24-Hour Crisis Helpline (325-486-6345), or the University Health Clinic (325-942-2171).

For more information about resources related to sexual misconduct, Title IX, or Angelo State's policy please visit: [www.angelo.edu/title-ix](http://www.angelo.edu/title-ix).

## **Student absence for religious holidays**

As stated in the Angelo State University Operating Policy and Procedures (OP 10.19 Student Absence for Observance of Religious Holy Day), a student who intends to miss class 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

[http://www.angelo.edu/services/registrar\\_office/course\\_drop\\_provisions.php](http://www.angelo.edu/services/registrar_office/course_drop_provisions.php).

## **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. For undergraduates, 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 Procedures (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, has experienced inequitable evaluation procedures, or inappropriate grading practices, 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 grade appeal 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>.

**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 9th , 2021 from 3:30pm-5:30pm. The final may be cumulative.***