

## Finance 4500: International Finance

### Instructor Contact

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**Communication Expectations:**

The Canvas website is your primary interface with the course. Access to the course instructions and class materials will be via Canvas. I will use the announcement tool to inform you of any schedule changes, changes in assignments, due date changes, etc., so be sure to check for new announcements each time you log in. I will check the Canvas class page and my email at least once each weekday. I will normally respond to your emails within 24 hours. While my office phone number is listed at the beginning of this syllabus, student's primary mode of contacting me should be via email.

### Course Description

In this course we will focus on corporations that make investment, financing and operating decisions in an international setting. You will learn about currency markets and the international monetary system in which domestic and multinational firms operate. You will also learn about risks and opportunities faced by a corporation as a result of operating in an international environment. We will cover a wide range of international finance topics. These topics include: fundamentals of foreign exchange markets, the mechanics and purpose of trading foreign currency derivative contracts, the details of international arbitrage relationships, international parity conditions, and management of foreign exchange risk.

### Course Prerequisites

FINA 3770 or equivalent

### Course Objectives

By the end of this course, students will be able to:

1. Predict the impact of economic factors (such as, inflation, interest rate, government policies) on the behavior of exchange rates;
2. Explain how exchange rate exposure may create risks and opportunities for domestic and multinational firms;
3. Explain ways in which national and international political and economic events impact exchange rate exposure for domestic and multinational corporations;
4. Demonstrate an understanding of the factors that cause changes in exchange rates.
5. Demonstrate a basic understanding of how to hedge foreign exchange risk.

## Materials

- Recommended:
  - International Financial Management, Cheol S. Eun & Bruce G. Resnick, (10<sup>th</sup> Ed.) McGraw-Hill Irwin, 2024.
  - A basic calculator.
  - The WSJ is an excellent source of current information related to financial topics. Every student in a Ryan College of Business master's program in finance gets electronic access to the WSJ. You can request your subscription with this [link](#).

## Grading

| <b>Assignment</b>                    | <b>Percentage of Final Grade</b> |
|--------------------------------------|----------------------------------|
| <i>Quizzes (25% each)</i>            | <i>50%</i>                       |
| <i>Cumulative Final Exam</i>         | <i>25%</i>                       |
| <i>Homework/In class assignments</i> | <i>25%</i>                       |
| <b>Total Points Possible</b>         | <b>100%</b>                      |

## Grading Scale

Include the grading scale (A-F) along with the point totals/percentages you will use to calculate the final grade. For example:

A = 90% or more of possible points

B = 80% - 89% of possible points

C = 70% - 79% of possible points

D = 60% - 69% of possible points

F = less than 60% of possible points

**No student will be provided with opportunities to earn "extra credit" beyond the assignments described.**

## Course Evaluation

Student Perceptions of Teaching (SPOT) is the student evaluation system for UNT and allows students the ability to confidentially provide constructive feedback to their instructor and department to improve the quality of student experiences in the course.

## Course Policies

### Homework Policy

There are two types of homework assignments; (1) includes math problems relating to a topic posted in Canvas, or (2) a multi-page (typed) analysis of a case, or topic discussed in class. A homework assignment will be graded on correctness and/or the depth of analysis. It must be turned in on the

**due date** to receive full credit. Late homework will be marked down one letter grade for each day the assignment is late. Your lowest homework grade will be dropped.

You will have one opportunity to complete each homework assignment so take your time and working with other students in the course is encouraged.

*ALL ASSIGNMENTS NEED TO BE TURNED IN WITH A COVER PAGE. Late homework will be marked down one letter grade for each day the assignment is late.*

### Quiz/Exam Policy

TWO quizzes will be given during the semester. The quizzes will be designed to prepare you for the final exam. The quiz will take approximately 1.5 hours. **The final exam is comprehensive.** The quizzes and final exam will most likely be a mix of multiple choice questions and work out problems. The final exam will be focused on topics that are addressed in the quizzes.

Students are allowed a 1-page handwritten (front and back) cheat sheet on standard 8.5" - 11" paper.

**As a general rule I do not give makeup quizzes.**

### Attendance Policy

Attendance will not be taken and will not figure directly into determining grades. However, class time will be spent discussing cases, WSJ articles, and current events. Since significant class time will be spent on class discussion I expect each student to be prepared to engage with classmates because you are responsible for all material discussed in class.

**I assume that when you are not in class that you are deriving more utility from some other activity. Therefore, don't ask me "Is there anything that I need to go over?" but rather get brought up to speed by one of your classmates, study-group members, and/or the announcements and materials on Canvas.**

**CLASS SCHEDULE\*:**

|                                  | <b>TOPIC</b>  |
|----------------------------------|---|
| Jan 15 <sup>th</sup> , WEEK - 1  | Introduction, Review of Corporate Finance<br>Globalization & the Multinational Firm (Ch. 1)           |
| Jan 22 <sup>rd</sup> , WEEK - 2  | Comparative Advantage (Ch. 1 Appendix),<br>The Market for Foreign Exchange (Ch. 5)                    |
| Jan 29 <sup>th</sup> , WEEK - 3  | <b>HW #1 – Comparative Advantage Due</b><br>Spot rates, forward rates (Ch. 5)                         |
| Feb 5 <sup>th</sup> , WEEK - 4   | Triangular Arbitrage (Ch. 5)  |
| Feb 12 <sup>th</sup> , WEEK - 5  | Triangular Arbitrage (Ch. 5)  |
| Feb 19 <sup>th</sup> , WEEK - 6  | FDI & Cross-Border Acquisitions (Ch. 16)  |
| Feb 26 <sup>th</sup> , WEEK - 7  | <b>QUIZ #1</b>  |
| Mar 5 <sup>th</sup> , WEEK - 8   | International Parity Relationships (Ch. 6)  |
| Mar 19 <sup>th</sup> , WEEK - 9  | International Parity Relationships (Ch. 6)<br><br>Intro to Central Banking<br>Currency Crises (Ch. 2) |
| Mar 26 <sup>th</sup> , WEEK - 10 | International Trade Finance (Ch 20)<br>Futures & Options on FX (Ch. 7)                                |
| Apr 5 <sup>th</sup> , WEEK - 11  | Management of Transaction Exposure (Ch. 8)  |
| Apr 12 <sup>th</sup> , WEEK - 12 | Interest Rate & Currency Swaps (Ch. 14)   |
| Apr 19 <sup>th</sup> , WEEK - 13 | International Tax Environment (Ch 21)   |
| Apr 26 <sup>th</sup> , WEEK - 14 | <b>QUIZ #2</b>  |
| May 2 <sup>nd</sup> , WEEK - 15  | Review  |
| May 9 <sup>th</sup> , WEEK - 16  | <b>Finals Week</b>  |

***\*Note: This is a tentative course outline. Alterations may be made.***

## Problems with Canvas

The University is committed to providing a reliable online course system to all users. However, in the event of any unexpected server outage or any unusual technical difficulty which prevents students from completing a time sensitive assessment activity, students should immediately report any problems to the instructor and contact the UNT Student Help Desk: [helpdesk@unt.edu](mailto:helpdesk@unt.edu) or 940.565.2324 and obtain a ticket number. In deciding how to deal with problems of this nature, I will rely on the help desk report, so it is very important that you contact the help desk quickly.

## UNT Policies

### Academic Integrity Policy

Academic Integrity Standards and Consequences. According to UNT Policy 06.003, Student Academic Integrity, academic dishonesty occurs when students engage in behaviors including, but not limited to cheating, fabrication, facilitating academic dishonesty, forgery, plagiarism, and sabotage. A finding of academic dishonesty may result in a range of academic penalties or sanctions ranging from admonition to expulsion from the University.

### ADA Policy

UNT makes reasonable academic accommodation for students with disabilities. Students seeking accommodation must first register with the Office of Disability Accommodation (ODA) to verify their eligibility. If a disability is verified, the ODA will provide a student with an accommodation letter to be delivered to faculty to begin a private discussion regarding one's specific course needs. Students may request accommodations at any time, however, ODA notices of accommodation should be provided as early as possible in the semester to avoid any delay in implementation. Note that students must obtain a new letter of accommodation for every semester and must meet with each faculty member prior to implementation in each class. For additional information see the [ODA website \(https://disability.unt.edu/\)](https://disability.unt.edu/).

### Emergency Notification & Procedures

UNT uses a system called Eagle Alert to quickly notify students with critical information in the event of an emergency (i.e., severe weather, campus closing, and health and public safety emergencies like chemical spills, fires, or violence). In the event of a university closure, please refer to Canvas for contingency plans for covering course materials.

### Acceptable Student Behavior

Student behavior that interferes with an instructor's ability to conduct a class or other students' opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional forum at UNT. Students engaging in unacceptable behavior will be directed to leave the classroom and the instructor may refer the student to the Dean of Students to consider whether the student's conduct violated the Code of Student Conduct. The University's expectations for student conduct apply to all instructional forums, including University and electronic classroom, labs, discussion groups, field trips, etc. Visit UNT's [Code of Student Conduct \(https://deanofstudents.unt.edu/conduct\)](https://deanofstudents.unt.edu/conduct) to learn more.

### Student Evaluation Administration Dates

Student feedback is important and an essential part of participation in this course. The student evaluation of instruction is a requirement for all organized classes at UNT. The survey will be made available during weeks 13, 14 and 15 of the long semesters to provide students with an opportunity to evaluate how this course is taught. Students will receive an email from "UNT SPOT Course Evaluations via IASystem Notification" ([no-reply@iasystem.org](mailto:no-reply@iasystem.org)) with the survey link. Students should look for the email in their UNT email inbox. Simply click on the link and complete the survey. Once students complete the survey they will receive a confirmation email that the survey has been submitted. For additional information, please visit the [SPOT website](http://spot.unt.edu/) (<http://spot.unt.edu/>) or email [spot@unt.edu](mailto:spot@unt.edu).