



Lincoln University

BA 314 – International Finance

COURSE SYLLABUS

Fall 2019

Instructor: Prof. Albert Loh

Lecture Schedule: Wednesday, 12:30 PM – 3:15 PM

Credits: 3 units / 45 hours of lectures

Level: Mastery 2 (M2)

Office Hours: Monday & Wednesday, 11:45 AM - 12:30 PM, or by appointment

e-mail: aloh@lincolnuca.edu

Textbook: **International Finance: Theory and Policy**, by Krugman, Obstfeld and Melitz, Global Edition, 11th edition (February 2018).

ISBN-13: 978-1292238739 or earlier edition.

Tools: A basic handheld calculator is required. **Mobile device calculator will not be allowed.** Supplemental materials (such as periodical, article, or case study) will be provided in class.

Prerequisite: *BA 140 or BA 303*

Last Revision: August 11, 2019

CATALOG DESCRIPTION

A study of the theory and practice of international monetary relations; the gold standard; the balance of payments; foreign exchange management and determination; foreign exchange controls; the Euro currency market; the international bond market; the virtue and functions of the IMF and the World Bank; and the global debt crisis.

EDUCATIONAL OBJECTIVES

Globalization has changed the ways financial decisions are made. Considerations are no longer limited to domestic factors of production in commerce and trade. This introductory course exposes students to global financial markets and operations of multinational corporations. Topics include foreign exchange markets, international financial markets, international banking, euro-markets, risk management, and investment decisions in the global marketplace. Other topics to be covered are international banking, the balance of payments, the determination of exchange rates, the developing country debt crisis, and the Asian meltdown.

COURSE LEARNING OUTCOMES¹

Course LO	Program LO	Institution LO	Assessment activities
An understanding of international fund flows and international financial markets and how they affect multinational corporations.	PLOs 1, 2, 6	ILO 1b, 2b	Closed-book exam.
A basic knowledge of why currency value fluctuates and how foreign exchange rate is determined.	PLOs 1, 2	ILO 1b, 2b	Closed-book exam.
An overview of modern central bank practice of monetary and exchange rate policy implementation.	PLOs 1, 2	ILO 1b, 2b	Closed-book exam.
A study of optimum currency areas and the Euro.	PLOs 1, 2	ILO 1b, 2b	Closed-book exam.
An examination of developing countries in growth, crisis, and reform.	PLOs 1, 2	ILO 1b, 2b	Closed-book exam.

INSTRUCTIONAL METHODS

This is a direct classroom instruction course.

The course will be conducted in the form of lectures and discussions on each topic shown in the class schedule below.

Assignments and projects require students to actively use resources of the library. Detailed guide to business *resources of the library* as well as the description of Lincoln University approach to *information literacy* are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

COURSE REQUIREMENTS AND EVALUATION

The class will not begin until all mobile devices are removed and kept away from the student's desk.

While in class, students are expected to conduct themselves in a professional manner. Professionalism includes regular attendance, participation in class discussions, civil conduct, and ethical behavior, etc. If a student is observed coming to class late often, being disrespectful to peers, texting or using mobile devices, or carrying on personal conversations during lecture, the professionalism portion of the grade will be reduced based on a demerit system. The course begins with each student having the full 50 points. Any absence after the last day to drop a class and/or tardiness without valid reasons greater than 3 times will result in 5 points deduction, respectively. Behavioral offenses such as texting, using of mobile devices, or engaging in disorderly conduct in spite of reminder or warning will result in 10 points deduction.

¹ Detailed description of learning outcomes and information about the assessment procedure are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

Homework assignment:

Every student needs to read the PowerPoint Slides according to the syllabus timetable in preparation for the upcoming class session.

Higher education is about learning how to learn. So, in acquiring new knowledge, always pay attention to the learning objectives of each chapter or topic. In addition, you will enhance your understanding by solving the chapter problems to be assigned in class. Of course, you are welcome to bring questions to class for discussion by reading ahead of each classroom lecture. Achievement is assured when done repetitively.

GRADING POLICY

Your performance in this course will be evaluated under the following model:

Mid-Exam	150 points	A = 361 – 400
Final Exam	200 points	B = 301 - 360
Professionalism:	50 points	C = 241 - 300
Total	400 points	D = 201 - 240
		F = < 200

The mid-term and final exams include open-ended, multiple choice, or both types of questions and problems that are similar to the term assignments. They are designed to test both theory and problem solving. There will be NO “make-up credit” or “extra credit” work during and after the semester. The instructor reserves the right to modify the grading system based on class performance and notification to the students about any change during the semester. You are responsible for keeping apprised of any change in syllabus. If you plan to be sick on exam days, please do the exam a day earlier before getting sick.

The key to success in this course is communication and interaction. Thus, we will have to work as a team. First, we will create a positive learning environment where everyone can participate without fear. Second, relevant reading and problem assignments will be presented and discussed in class. When in doubt, ask.

Scholastic Dishonesty

Scholastic dishonesty will not be tolerated. Students who violate rules of academic dishonesty are subject to disciplinary penalties, including failure in the course and/or other actions from the University.

PROPOSED CLASS SCHEDULE

Date	Topics
Aug 21	Course overview and Chapter 1: Introduction to International Finance
Aug 28	Chapters 2: National Income Accounting and Balance of Payment
Sep 4	Chapter 3: Foreign exchange market and Currency Value
Sep 11	Chapter 4: Money, Interest Rates and Exchange Rates
Sep 18	Chapter 7: Fixed Exchange Rates and Forex Intervention
Sep 25	Mid-term Exam Review
Oct 2	2.5-Hour Final Exam (Closed Books)
Oct 9	Chapter 5: Price Levels and Exchange Rate in the Long Run
Oct 16	Chapter 6: Output and Exchange Rate in the Short Run
Oct 23	Chapter 8: International Monetary System
Oct 30	Chapter 9: Financial Globalization: Opportunity and Crisis
Nov 6	Chapter 10: Optimum Currency Areas and the Euro
Nov 13	Chapter 11: Developing Countries: Growth, Crisis and Reform
Nov 20	Final Exam Review
Nov 27	Thanksgiving Break – No Class
Dec 4	2.5-Hour Final Exam (Closed Books)

Addendum: Supplemental Course Materials

The PowerPoint slides are designed to give students a head start in learning course materials in a concise and coherent fashion. They are not intended to substitute, but complement, the textbook and classroom lectures. Don't just read; you need to absorb and understand the body of knowledge through a synthesis of critical thinking and problem solving skills. Thus, attending classroom lectures and completing exercises and assignments are critical to your success.