LINCOLN UNIVERSITY
BA 314 – International Finance
Fall 2012 Course Syllabus

Course Number: **BA 314**

Course Title: **International Finance**

Units: 3 (45 lecture hours)

Semester Offered: Fall 2012

Course Meeting Days: Saturdays

Course Meeting Time: 3:30PM to 6:15PM

Course Meeting Place: Auditorium (Room 304)

Instructor Information:
   Name: Daniel Sevall

   Office Phone: 650-380-0518 (cell)

   E-Mail Address: dsevall@lincolnuca.edu

   Office Location: Room 407

   Office Hours: Mondays and Thursdays at 6 PM

1. Course 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; the European Monetary System; the global debt crisis. (3 units)

2. Learning Objectives
By taking BA 314, students will demonstrate knowledge and understanding of the following:
   - identify international business opportunities
   - evaluate returns
   - understand business-specific risks and universal risks of international businesses
   - understand macro-economic movements, political risks, evolving global risks, and exchange rate movements
   - calibrate risk exposures of a business

- understand and apply simple hedging
- devise a scheme to finance business globally
- work on international business cases - project financing, foreign direct investment, and cross-border merger and acquisitions
- Deliver an actual cross-border financial plan

3. Instructional Methods:

Lecture method is used in combination with the case studies to provide a rich learning experience for the student. The course requires the practical use of a calculator, a computer, and the Internet to solve international finance problems. The emphasis will be on learning by doing. Every student must participate in an intensive classroom activity. Reading, writing, and problem solving assignments will be made throughout the course. In general, the teaching methods can be summarized into these areas:

1. Instructor presentations and lectures
2. Assignments
3. Case studies
4. Student presentations
5. Class discussions

4. Instructional Material and Texts

The course text will be the following:
Financial Management: Theory and Practice by Brigham and Ehrhardt, 13th edition, 2011 (ISBN: 13-978-1-4390-7809-9)

Online Components of the Course

I will create a YahooGroups as a means of posting information, and offering an opportunity for you to ask questions regarding course material. I will plan on adding students to the Yahoo site, once the class rosters are finalized.

5. Academic Honesty Honor Code

The faculty, administration, and staff recognize their obligation to provide continuing guidance as to what constitutes academic honesty and to promote procedures and circumstances that will reinforce the principle of academic honor. Fundamental to the principle of independent learning is the requirements of honesty and integrity in the performance of academic assignments, both in the classroom and outside. Students should avoid academic dishonesty in all of its forms, including plagiarism, cheating, and other forms of academic misconduct. The University reserves the right to determine in any given instance what action constitutes a violation of academic honesty and integrity.

6. Diversity

A diverse classroom is a better classroom. Sharing our experiences and our ideas contribute to our better understanding of the material. I will be committed to ensuring that all students receive the attention needed to grasp the key accounting concepts for this class. To that end, all questions relating to the course material will be answered in a timely fashion.

7. Requirements

All students are required to attend the class. Continuous assessment is emphasized. Students must complete all assignments and take all quizzes, mid-term exam and final exam ON THE DATES DUE. Plagiarism will result in the grade "F" and a report to the administration.

8. Assessment

A. Exams:

- Students must take a midterm and a final exam. The midterm will cover material from the first half of the course. The final exam is *comprehensive* and covers the material from the entire semester.
- Make-up exam policy: Students must take the exams as scheduled. No make-up exam will be given.
- Partial Credit is awarded on exams for problems (not multiple choice) when the computations are shown. Show all work on problems for maximum partial credit.
- Students may use laptops or programmable calculators. While these may help students in the calculation of certain accounting problems, ultimately the student will need to use critical reasoning to be successful in this course.
- Students may e-mail me to be informed of their respective grades.
- Be careful not to make careless mistakes on the exams.

B. Homework:

- Homework sets and due dates will be posted regularly.
- Solutions to some homework problems will be reviewed in class.
- Critical thinking essay, cases, and problems are included as part of the regular homework and class demonstration problems.

9. Grading and Assessment Criteria

International Finance Midterm	25%
Attendance and Class Participation	10%
Homework	10%
Case Analyses and Presentations	25%
International Finance Final	30%
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Total	100%

Letter grades will be given based on the following scaling:

A	90 - 100
B	80 - 89
C	70 - 79
D	60 - 69
F	0 - 59

10. Expectations for Students

A. Attendance:

- Attendance at all classes is essential to acquiring the requisite information for successful completion of this course. The topics covered in this course are much related to each other. If you miss a lecture, it would be hard to catch up. Exams will be based on information and problems presented in class. Roll will be taken at the beginning of each session. Students are expected to show up to every class meeting and stay for the entire period.
- Students may attend either session of the lecture as space permits. Students must attend the exams during the session in which they are registered unless prior permission is obtained.
- Loss of seat in class: If you are a registered student whose name has appeared on the class roster and you miss the initial class meeting and do not contact the instructor about your intent to attend by the second class meeting, the instructor may, in consultation with the department chairperson, permit another student to take your seat.
- Students are required to inform the instructor in advance by email or verbally in case of not being able to attend class.

B. Class Participation:

- Class participation is very essential to learning this subject. Be prepared to participate in class discussions (answering the questions and solving the problems), group work, and reviewing the homework.

C. Student Code of Conduct:

- Students are expected to respect the instructor and each other. Students must turn off their cell phones and pagers during the entire class time.

11. Course Schedule

Class #	Topics	Assignments due
1	Course Introduction and International Bond Valuation	
2	Corporate Valuation, Value Based Management and Corporate Governance	Bond Valuation-Build-A-Model
3	Capital Structure Decisions: International Variations	Corporate Valuation-Build-A-Model
4	Managing Global Operations: Working Capital Management	Exploring the Capital Structures for Three Global Auto Companies (page 636)
5	Managing Global Operations: Multi-National Finance	Problem 16-11 and 16-13
6	Mid-term	
7	Financial Options: Black Scholes	
8	Derivatives and Risk Management (Futures and Swaps)	Financial Options Build-A-Model

9	Derivatives and Risk Management Continued (Focus on Currency Swaps)	Problem 23-4 and 23-5
10	Real Options	Mini-case: Chapter 25 (page 994)
11	Tokyo Disneyland/Disney SeaPark Project (The efficacy of American NPV vs. Japanese AAR)	Class Presentations
12	In-class Review	All material
13	Final Exam	

12. Disclaimer
This syllabus is subject to modification. I am committed to letting students know changes to the syllabus as soon as feasible.

Last Update: 7/22/2012