



Lincoln University

BA 414 International Finance

COURSE SYLLABUS

Summer, 2012

Lecture Schedule: Tuesday and Thursday, 6:30 PM – 9:15 PM

Credit: 4 units

Instructor: Prof. Sergey Aityan

Office Hours: Monday, 2:00 PM – 3:00 PM

Thursday, 2:00 PM – 3:00 PM

Students are advised to schedule appointments on the appointment list on the board at the professor's office that ensures appointment time without waiting.

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Textbook:

1. Main Textbook:

Cheol Eun and Bruce Resnick

International Financial Management

Publisher: McGraw-Hill/Irwin; 6 edition (March 31, 2011)

ISBN-10: 0078034655

ISBN-13: 978-0078034657

Last Revision: May 17, 2012

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; the European Monetary System, the global debt crisis. A one-unit written research project and its oral presentation is a required part of the course. (4 units)

COURSE OBJECTIVES

- This course explores the strategic decision making options and alternatives available to financial managers who must protect the firm's cash flow, profitability, physical property and sources of investment capital in an unstable and often erratic international business climate.
- In this course students are expected to become proficient in determining, analyzing and recommending possible actions for countering financial risks in international business.

- Students are also expected to develop an understanding of the underlying factors that create financial risks and uncertainty.
- Students are expected to present and discuss the financial manager’s responsibilities in terms of the strategic planning and problem solving efforts required to effectively address the firm’s financial position and risk exposure.
- Students are expected to analyze complex situations in international finance, and find practically and theoretically viable solutions to the problems using multidisciplinary approach.

PROCEDURES AND METHODOLOGY

Lecture method is used in combination with supervised exercises and business case study. The emphasis will be on learning by doing. Every student must participate in an intensive classroom activity, must complete home tasks and course projects, and take quizzes and exams. Students will conduct an analysis of special cases specific to the current situation in global finances.

COURSE PROJECT

Every student must complete and submit a course project related to the analysis of certain aspects in international finance.

REQUIREMENTS

All students are required to attend classes. Continuous assessment is emphasized. Written or oral quizzes will be given every week. Reading, writing, home tasks, and “business case study” assignments will be made throughout the course. 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.

ATTENDANCE

Students are expected to attend each class session. If you cannot attend a class due to a valid reason, please notify the instructor prior to the class.

EXAMS

Both, midterm and final exams are structured as written essay to answer to the given questions. The essay must be written structurally with clear logical presentation of the answers. Graphs, charts, tables, and other supporting illustrations are required if needed. Examples to illustrate the answers are required.

Exams will cover all assigned chapters, any additional readings or supplementary materials covered in class. The exams are neither “open book” nor “open notes.”

GRADING AND SCORING

The final grade for the course consists of the following components weighted as shown in the table below:

Activity	Time	Percent
Quizzes, home tasks, and classroom activities	Every week	20%

Course project		20%
Mid-term exam	In the middle of the course	30%
Final exam	Last week of the course	30%

All results of written test will employ a numerical scoring system that is convertible to grades as indicated below.

94-100	A
90-93	A-
87-89	B+
83-86	B
80-82	B-

77-79	C+
73-76	C
70-72	C-
66-69	D+
60-65	D
0-59	F

COURSE SCHEDULE

Session	Topic	Chapters
1	(a) About the Course (b) Globalization and the Multinational Firm (c) International Monetary System	Ch. 1 Ch. 2
2	(a) Balance of Payment (b) Corporate Governance Around the World (c) Course Project Discussion	Ch. 3 Ch. 4
3	(a) The Market for Foreign Exchange (b) International Parity Relationship and Forecasting Foreign Exchange Rates	Ch. 5 Ch. 6
4	(a) Futures and Options on Foreign Exchange (b) Course Project Discussion	Ch. 7
5	(a) Management of Transaction Exposure (b) Management of Economic Exposure (c) Management of Translation Exposure	Ch. 8 Ch. 9 Ch. 10
6	(a) Course Review (b) Midterm Exam	Ch. 1 - 10
7	(a) International Banking and Money Market (b) International Bond Market	Ch. 11 Ch. 12
8	(a) International Equity Market (b) Interest Rate and Currency Swaps	Ch. 13 Ch. 14
9	(a) International Portfolio Investment (b) Course Project Discussion	Ch. 15
10	(a) Foreign Direct Investment and Cross-Border Acquisitions (b) International Capital Structure and the Cost of Capital	Ch. 16 Ch. 17
11	(a) International Capital Budgeting (b) Multinational Cash Management	Ch. 18 Ch. 19
12	(a) International Trade Finance (b) International Tax Environment and Transfer Pricing	Ch. 20 Ch. 21
13	Course Project Presentations	
14	(a) Course Review (b) Final Exam	Ch. 1 - 21

OTHER COMMENTS

- Please participate. What you put into the class will determine what you get out of it – and what others get out of it.
- Please come on time. Late arrivals disturb everyone else.
- If you miss a class, you are responsible for getting notes/slide printouts on the material covered from a classmate or the instructor.
- To avoid distracting noise in class, cellular phones must be turned off or the ringing mode silenced.
- Questions and comments during the class are welcome. Do not hesitate to ask questions – do not leave anything unclear for you.

MODIFICATION OF THE SYLLABUS

The instructor reserves the right to modify this syllabus at any time during the semester. Announcements of any changes will be made in a classroom.