



Lincoln University

– BA 130 –

Introduction to International Business

COURSE SYLLABUS

Fall 2013

Lecture Schedule: Wednesday, 9:00 AM – 11:45 AM
Credit: 3 units (45 lecture hours)
Instructor: Prof. Sergey Aityan
Office Hours: Monday, 3:30 PM – 4:30 PM
Thursday, 2:15 PM – 3:15 PM
Students are advised to schedule appointments by signing their names on the appointment list which is located on the information board next to the professor's office that will ensure exact appointment time without waiting.
e-mail: aityan@lincolnuca.edu
☎: (510) 628-8016

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

2. Online course lecture notes:

Sergey Aityan, "International Finance," the online lectures at <http://elearning.lincolnuca.edu>.

Last Revision: August 14, 2013

CATALOG DESCRIPTION

The varied dimensions of doing business abroad will be covered in terms of patterns of international trade, foreign investments, social and political frameworks, the economic environment, national and international constraints, and problems of general management associated with planning, financing, marketing, personnel, and legal requirements. (3 units)
Prerequisite: BA 10

LEARNING OBJECTIVES

- Most business firms you are likely to encounter today have some international business involvement. For some, it may only be dealing in import-export sales. For others, their international operations include foreign subsidiaries and complex product-market structures. All of these firms, no matter the intensity and degree of international

business relationships have a need to understand the nature of this complex environment and protect themselves against risks not encountered domestically.

- The financial risk of international business is, for most corporations, the most commonly encountered management concern. 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 business climate.
- While no one can anticipate and protect the firm against all elements of risk there are a variety of management actions that can minimize the firm's exposure to such risks as currency fluctuations, limited access to new capital, restrictions on profit repatriation, illegal foreign payments and loss of invested capital. In this course students are expected to become proficient in determining, analyzing and recommending possible actions for countering financial risks.
- 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.

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.

REQUIREMENTS

Continuous assessment is emphasized. Written or oral quizzes will be given every week. Reading, writing 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 or cheating will result in the grade "F" (with zero points for the activity) 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 the given questions. The essay must be written structurally with a clear and logical presentation of the answers. Graphs, charts, tables, and other supporting illustrations are required if needed. Examples to illustrate the answers are required. The final exam is comprehensive. 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

All activities will be graded according to the points as shown below.

Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	F
Points	94-100	90-93	87-89	83-86	80-82	77-79	73-76	70-72	66-67	60-66	0-59

The final grade for the course will be given as the total weighted score for all activities according to the percentage shown in the table below.

Activity	Time	Percent
Quizzes, home tasks, and classroom activities	Every week	30%
Mid-term exam	In the middle of the course	35%
Final exam	Last week of the course	35%

If both grades for the midterm and final exams are “F” the term grade for the course is “F” regardless of the grades for other activities.

COURSE SCHEDULE

Lectures		Topic	Chapters
#	Date		
1	Aug.28	(a) About the Course (b) Globalization and the Multinational Firm (c) International Monetary System	Ch. 1 Ch. 2
2	Sep.4	(a) Balance of Payment (b) Corporate Governance Around the World (c) Course Project Discussion	Ch. 3 Ch. 4
3	Sep 11	(a) The Market for Foreign Exchange (b) International Parity Relationship and Forecasting Foreign Exchange Rates	Ch. 5 Ch. 6
4	Sep 18	(a) Futures and Options on Foreign Exchange (b) Course Project Discussion	Ch. 7
5	Sep 25	(a) Management of Transaction Exposure (b) Management of Economic Exposure (c) Management of Translation Exposure	Ch. 8 Ch. 9 Ch. 10
6	Oct 2	(a) International Banking and Money Market (b) Course Project Discussion	Ch. 11
7	Oct 9	(a) International Bond Market (b) Course Review	Ch. 12
8	Oct 16	Midterm Exam	Ch. 1-12
9	Oct 23	(a) International Equity Market (b) Interest Rate and Currency Swaps	Ch. 13 Ch. 14
10	Oct 30	(a) International Portfolio Investment (b) Course Project Discussion	Ch. 15
11	Nov 6	(a) Foreign Direct Investment and Cross-Border Acquisitions (b) International Capital Structure and the Cost of Capital	Ch. 16 Ch. 17

12	Nov 13	(a) International Capital Budgeting (b) Multinational Cash Management	Ch. 18 Ch. 19
13	Nov 20	(a) International Trade Finance (b) International Tax Environment and Transfer Pricing	Ch. 20 Ch. 21
	Nov 27	Thanksgiving – No classes	
14	Dec 4	Course Project Presentations	
15	Dec 11	Comprehensive 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 too.
- 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.