I. Course Description

This course provides an introduction to financial management of international corporations. The course prepares students for the fundamental knowledge of international business finance, including such topics as the international monetary system, balance of payments, foreign exchange markets, international parity conditions, foreign exchange exposure and management, foreign direct investment, international venture capital and entrepreneurship, global financing, and international cost of capital and capital budgeting. The course will emphasize the link between theory and applications.

II. Prerequisite

FIN 304, Financial Management, or consent of instructor.

III. Course Objectives

This course has been selected as a Global Course – tied to the Quality Enhancement Plan (QEP). Texas A&M University-Commerce QEP seeks to prepare students for an interconnected world. In relation to the QEP, students completing this course will be able to demonstrate knowledge of the interconnectedness of global dynamics (issues, trends, processes, and systems). The short report in this course will be utilized to assess the QEP student learning outcomes for each student. Students are responsible to upload a copy of the project to their ePortfolio in ManeSync.

IV. Required Course Materials


V. Recommended Reading

Wall Street Journal, Financial Times, The Economist

VI. Policies and Procedures

The student is responsible for all material covered and all information disseminated when he/she misses a class or arrives late.

Email Use

The best way to communicate with me outside of class is by email. You should expect a response to your emails within 24 hours during regular business hours on weekdays. You have to send emails from your myLeo accounts.
Exams

There will be three exams, including two midterm exams and a mandatory final exam. The exams will be closed book and closed notes. Students should bring a financial calculator to the exams. Sharing of calculators and the use of a laptop or any other electronic device will not be allowed during an exam.

There will be no makeup exams. If you have to miss an exam because of an excusable and verifiable reason, you must contact me before the exam. Failing to do so or failing to provide documentation of the reason for absence from a medical doctor or TAMU-Commerce official will result in a grade of zero on the exam. If I were to excuse you from an interim exam, the weight of the missed exam will be added to the weight of the final exam. Regardless of the excuse, if you miss two exams you will automatically fail the class.

Short Report

You will have to write a short report about current news items dealing with international financial developments. These can be based on clippings from newspapers, magazines, newsletters, or professional journals. Your written report should summarize the news item and then relate it to some concept, practice, or problem in international finance and management, including your own observations on its implications. The written report is to be typed using a 12-point font; the pages should be numbered and have 1-inch margins on all sides. It should be double-spaced and should not exceed 4 pages (including references). An unexcused late assignment will not be accepted and a zero grade will be assigned.

1. Your selection of an appropriate article will constitute a portion of your grade. The article should be current news items dealing with international financial developments. The article should be from a credible source, and should be cited in a recognized format (APA, MLA, Turabian, etc). Make sure to include the url as part of the citation.
2. The first paragraph should summarize and explain the issue discussed in the article.
3. The second paragraph will discuss the chosen issue/event impacted by the techniques and knowledge learned from international financial management. You should follow the citation guideline stated in (1) if you use any information from other sources.
4. The third paragraph should discuss the global implications of the issue/event chosen.

Following table summarizes the grading rubric for the short report:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>1 (Unsatisfactory)</th>
<th>2 (Emerging)</th>
<th>3 (Proficient)</th>
<th>4 (Exemplary)</th>
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<tbody>
<tr>
<td>Article Selection</td>
<td>The article is not from a credible source and does not fit the requirements.</td>
<td>The article is from a credible source, but does not fit the requirements.</td>
<td>The article is from a credible source, and fits the requirements.</td>
<td>The article is from a credible source, fits the requirements, and covers a broad aspect of international financial development.</td>
</tr>
<tr>
<td>Citation</td>
<td>Failed to cite the article</td>
<td>Only pasted the url</td>
<td>Cited the article, but not using accepted format</td>
<td>Correct citation</td>
</tr>
<tr>
<td>Application of techniques/Knowledge</td>
<td>Student cannot identify any of the techniques and knowledge learned from the course affecting the issue/event studied.</td>
<td>Student can identify some of the techniques and knowledge learned from the course affecting the issue/event studied.</td>
<td>Student can identify some of the techniques and knowledge learned from the course affecting the issue/event studied.</td>
<td>Student can identify all of the techniques and knowledge learned from the course affecting the issue/event studied, and</td>
</tr>
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</table>
but cannot demonstrate a clear impact.
and demonstrate a clear impact.
demonstrate a clear impact.

<table>
<thead>
<tr>
<th>Global Implications</th>
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<tbody>
<tr>
<td>Student does not discuss/understand global implications.</td>
<td>Student attempts to discuss global implications, but some confusion is apparent.</td>
<td>Student discusses global implications, and presents a basic level of analysis using techniques and knowledge learned through the course.</td>
<td>Student discusses global implications, and presents a thorough analysis using techniques and knowledge learned through the course.</td>
</tr>
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</table>

**Homework**

End of chapter questions & problems and other questions & problems will be assigned as homework. You do **not** have to submit the solutions. To enhance learning, you should devote some time to these assignments. Some (but not all) of the problems on the exams will be similar to the problems in these homework assignments.

**Grading**

**No assignment for extra credit** will be given to any individual student. For grading purposes, the following weights will be assigned:

- Class Participation: 5%
- Mid-term examination I: 27%
- Mid-term examination II: 27%
- Final examination: 33%
- Short Report: 8%

and letter grades applied as follows:

- 90 – 100 A
- 80 - 89.99 B
- 70 - 79.99 C
- 60 - 69.99 D
- 0 - 59.99 F

**NOTE:** All cell phones must be turned off and out of sight during class. A student with a visible cell phone or other electronic device other than a stand-alone calculator during an exam will not be allowed to complete the exam and will receive a grade of zero for the exam. Anyone late to class 15 minutes or more (including final exam) will not be allowed to take the exam.

**VII. Progression of Course**

**Theme: The International Financial Environment**

- Chapter 1 – Multinational Financial Management
- Chapter 2 – International Flow of Funds
- Chapter 3 – International Financial Markets
Chapter 4 – Exchange Rate Determination

Chapter 5 – Currency Derivatives

Theme: Exchange Rate Behavior

Chapter 6 – Government Influence on Exchange Rates
Chapter 7 – International Arbitrage and Interest Rate Parity
Chapter 8 – Relations among Inflation, Interest Rates and Exchange Rates
Chapter 10 – Measuring Exposure to Exchange Rate Fluctuations

Theme: Exchange Rate Risk Management

Chapter 11 – Managing Transaction Exposure
Chapter 12 – Managing Economic Exposure and Translation Exposure

Chapter 13 & 16 – Direct Foreign Investment & Country Risk Analysis

Theme: Long-Term Asset and Liability Management

Chapter 17 – Multinational Capital Structure and Cost of Capital
Review

Final Comprehensive Examination

VIII. Other Information

You shall start studying early in the course, well before the test/exam, to give yourself a head start in learning the material. When you don’t understand course material, ask questions either in class, during office hours or by email. You will not get good grades if you wait until a week or couple of days before the test/exam to start studying.
Academic Integrity/Ethics:

Integrity will be stressed throughout the course. Refer to Student’s Guide Book located at for the University policy on academic honesty:
www.tamu-commerce.edu/studentlife/guidebook.htm

All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conductive to a positive learning environment.

You are expected to maintain high standards of integrity and honesty while pursuing your academic goal(s). The university’s statement on academic honesty is found in the Texas A&M University-Commerce Procedures, A13.12, Academic Honesty. Academic dishonesty is defined in the following manner:

"Academic dishonesty includes, but is not limited to, plagiarism (the appropriation or stealing of the ideas or words of another and passing them off as one’s own), cheating on exams or other course assignments, collusion (the unauthorized collaboration with others in preparing course assignments), and abuse (destruction, defacing, or removal) of resource material."

Your grade is to reflect your work alone, and likewise, your classmates’ grades are to reflect their work alone, and not yours. Students found to have committed academic dishonesty will automatically receive a failing grade for the course and will be referred to Dean of the College of Business and Technology for possible expulsion from the program. All students enrolled in this course are required to sign and submit an Academic Honesty Policy form during the first week of the course.

Students with Disabilities:

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

Office of Student Disability Resources and Services
Texas A&M University-Commerce
Gee Library
Room 132
Phone (903) 886-5150 or (903) 886-5835
Fax (903) 468-8148
StudentDisabilityServices@tamuc.edu

Attendance Policy:

Students are expected to attend each class and students are expected to come to each class with their assignments completed. Students who must miss a class are responsible for securing any and all assignments for coursework missed.

Drop Policy:

See University drop policy.