



SDNY BUSN 3373
International Finance
CAPA SYDNEY PROGRAM

Course Description

The International Finance module provides an understanding of finance in the international context. In a globally integrated world, it has become imperative to trade, invest and conduct business operations internationally. The course exposes the students to the opportunities and risks associated with international finance. The course coverage includes historical perspectives and foundations of international finance, the foreign exchange markets and exchange rate determination, exposure management, financial management of a multinational firm.

Course Aims

As the world has become more integrated due to deregulation of financial markets, product innovation and technology, capital markets have kept pace with this integration. The study of international finance has therefore become essential and builds upon the understanding of theoretical concepts of finance and their adaptation to the international context. The course also helps students examine the current economic landscape through topical discussions of current economic and political development and their impact on international finance.

Requirements and Prerequisites

Students must have a business background and have taken an introductory finance course. The course emphasizes this academic area from a global perspective. Students with a high degree of motivation and desire to learn about the international and global aspects of business will benefit from this course.

Learning Outcomes

After taking this course, students should be able to:

- a. Gain a broad understanding of the key issues in international finance.
- b. Develop an understanding of the political and economic context within which international finance operates.
- c. Apply the various theoretical aspects of the principles of finance in an international context.
- d. Gain a good working knowledge of the operations and key issues surrounding international capital flows, foreign direct investment, foreign exchange rate determination and exposure management, international capital markets and institutions, and develop an understanding of how the financial management of a multinational firm works.

Developmental Outcomes

Students should demonstrate: responsibility & accountability, independence & interdependence, goal orientation, self-confidence, resilience, appreciation of differences.

Class Methodology

This class will be participative and will require students to contribute individually and as part of a team. The course content and delivery will create a framework where students reflect critically on the Sessionly discussion topics. The students will be expected to devote an hour per day keeping up with the current issues in international finance. (Expected reading sources should include The Economist, Financial Times, Australian Financial Review, Asian Wall Street Journal, and The New York Times).

The teaching and learning methods will be a blend of the following:

- Lectures
- Reflections & observations
- Class discussions
- Online activities
- Student presentations and/or a research paper.

Field Components

CAPA provides the unique opportunity to learn about the city through direct, guided experience. Participation in field activities for this course is required. You will actively explore the Global City in which you are currently living. Furthermore, you will have the chance to collect useful information that will be an invaluable resource for the essays/papers/projects assigned in this course.

Assessment and Grading

Task	Weighting	SLO
1. Class Participation	10%	a, d
2. Mid-term Exam	20%	d

3. Oral Presentation	10%	b, c
4. Research Paper	30%	b, c
5. Final Exam	30%	d

DESCRIPTOR	ALPHA	NUMERIC	GPA	REQUIREMENT/EXPECTATION
Outstanding (High Distinction)	A	93+	4.0	Maximum grade: In addition to description for grade "A-", the student shows detailed understanding of materials about which he or she can show independent analytical ability. This means the ability to question an issue from different perspectives and evaluate responses in an objective manner.
Excellent (Distinction)	A-	90 - 92	3.7	Student shows understanding of literature beyond the textbook/class hand-outs/class notes, and the work shows a high level of independent thought, presents informed and insightful discussion and demonstrates a well-developed capacity for evaluation.
Very good (High Credit)	B+	87 - 89	3.3	Shows evidence of a capacity to generalise from the taught content, or the material in literature, or from class lectures in an informed manner. Also, the work demonstrates a capacity to integrate personal reflection into the discussion and an appreciation of a range of different perspectives.
Good (Credit)	B	83 - 86	3.0	The work is well organised and contains coherent or logical argumentation and presentation.
Good (Credit)	B-	80 - 82	2.7	Student shows understanding of literature beyond the textbook and/or notes, and, there is evidence of additional reading.
Average (Good Pass)	C+	77-79	2.3	The work demonstrates a capacity to integrate research into the discussion and a critical appreciation of a range of theoretical perspectives. Also, the work demonstrates a clear understanding of the question and its theoretical implications and demonstrates evidence of additional reading.

Adequate (Pass)	C	73 – 76	2.0	Shows clear understanding and some insight into the material in the textbook and notes, but not beyond. A deficiency in understanding the material may be compensated by evidence of independent thought and effort related to the subject matter.
Below Average (Borderline Pass)	C-	70-72	1.7	Shows some understanding of the material in the textbook and notes. A deficiency in any of the above may be compensated by evidence of independent thought related to the subject matter.
Inadequate (Borderline Fail)	D+	67 – 69	1.3	Fails to show a clear understanding or much insight into the material in the textbook and notes
Poor (Fail)	D	60 – 66	0.7 – 1.0	Besides the above for D+, student has not shown interest or engagement in the class work or study.
Poor (Fail)	F	<60	0	Shows little or no understanding of any of the material
Incomplete	I			Please see CAPA policy in the Academic Handbook.

1. Participation (10%)

Seminar participation enables you to engage with course material, to contribute your ideas to the class, as well as to learn from the ideas of others.

Please review the following table as a guide:

Grade	Discussion	Reading
A range	Excellent: consistent contributor; offers original analysis and comments; always has ideas on topics of the readings; takes care not to dominate discussion.	Obviously has completed all readings; intelligently uses resultant understanding to formulate comments and questions for the discussion.
B+	Very Good: frequent, willing, and able contributor; generally offers thoughtful comments based on the readings.	Has done most of the readings; provides competent analysis of the readings and applies insights from class appropriately.

B / B-	Satisfactory: frequent contributor; basic grasp of key concepts but little original insight; comments/questions are of a general nature.	Displays familiarity with some readings and related concepts but tends not to analyse them.
C range	Poor: sporadic contributor; comments/questions betray lack of understanding of key concepts; often digresses in unhelpful ways.	Displays familiarity with few readings; rarely demonstrates analytical thought.
D / F	Very Poor: rarely speaks; merely quotes text or repeats own comments or those of others.	Little to no apparent familiarity with assigned material or application to relevant discussion.

2. & 5. Examinations

The mid-term and final exams will include a combination of quantitative problems and a series of multiple-choice questions. The final exams will be cumulative and cover the entire course material.

Mid-Term Exam: In Class

Final Exam: In Class

3. & 4. Research Paper & Class Presentation (40%)

Presentation: Provide an outline of your essay, the theoretical background, data and findings of your case study and the conclusions. Please note that this presentation should be limited to 8 slides and 10 minutes (approx.) There will be a Q&A session following the presentation. The students will be given feedback on their presentations and will be expected to incorporate this feedback into their final research paper submissions.

Research paper: Select any one of the topics that we will be covering in this course. Bear in mind that these topics/chapters are rather broad and you will need to narrow down your research topic significantly. You should identify a small aspect of the theoretical discussion that interests you and apply a real world example as you focus sharply on it. In other words, you should not be providing a general overview of the chapter(s).

The next step is to identify a case study or identify sufficient data that fits your selected topic. You may choose current or recent economic/financial events or alternatively examine an event/s from a historical perspective. The course outline provides you ample guidance on sources of such data. (Please do not start with a case study and then try to find the theoretical basis for it. This will not be efficient.)

The final step will be to provide a thorough analysis. How does the case study or evidence fit into the theoretical discussion? Are the facts consistent with the theory? Explain why (or why not). What lessons did you learn from this project? This analysis will carry the highest weight for this assignment.

To obtain an A grade, the submission will have to meet ALL three requirements: (1) theoretical discussion; (2) good presentation of case study; and (3) thorough analysis. Any submissions that do not meet all the criteria will be downgraded.

Localised Context

Students are encouraged to identify research paper topics relevant to the localised Australian context. These research paper topics should be discussed with the lecturer in advance. Preparatory work would include developing good reading sources such as the Reserve Bank of Australia Publications and Speeches (www.rba.gov.au), Financial Times and the Economist to gain a better understanding of the localised context.

Word count: 1500 (+/- 10%)

Course Materials

Required Readings:

- International Financial Management: 8th Edition Eun & Resnick, Publisher: McGraw-Hill Irwin Copyright

The ISBN for the ebook is 9781307054354. For the textbook, the ISBN is 9781259717789.

It is fine to use online versions of the textbook. You could obtain used copies of the book at substantial discounts through the online marketplace. The book is also available for electronic download through the publisher.

Sessionly Course Schedule

Seminar topics	Class activities
<p>Session 1 - International Monetary System and Balance of Payments</p> <ul style="list-style-type: none"> • Introductions, student interests, relevant prior coursework & experience • Course map, format, required work and assessments • Review of research paper guidelines • Historical perspectives of the International Monetary System • Gold standard • Exchange rate regimes – pegs, fixed, floating, currency boards, etc. • The Euro and European Monetary System • Historical currency crises • Balance of Payments <p>Required Reading</p>	<p>Course Outline and Overview.</p> <p>Introduction to International Finance</p> <p>Lecture: International Monetary System & Balance of Payments</p>

Chapters 1, 2, 3 & 4	
Session 2: Online Activities	
<p>Session 3 - Foreign Exchange Markets & Exchange Rate Determination</p> <ul style="list-style-type: none"> • Function & structure of the foreign exchange market • Spot & forward rate determination • Interest rate parity • Foreign exchange futures & options <p>Required Reading Chapters 5, 6 & 7</p>	Lecture: Foreign Exchange Markets & Exchange Rate Determination
<p>Session 4 - Foreign Exchange Exposure and Management</p> <ul style="list-style-type: none"> • Management of Transaction Exposure • Management of Economic Exposure • Management of Translation Exposure <p>Required Reading Chapters 8, 9, 10</p>	Lecture: Foreign Exchange Exposure and Management
<p>Session 5 – World Financial Markets & Institutions – Part 1</p> <ul style="list-style-type: none"> • International Banking and Money Market • International Bond Market <p>Required Reading Chapters 11 & 12</p>	<p>Lecture: World Financial Markets & Institutions</p> <p>Global Financial Crisis online discussion</p>
<p>Session 6 – World Financial Markets and Institutions – Part 2</p> <ul style="list-style-type: none"> • International equity markets • Interest Rate and Currency Swaps <p>Required Reading Chapters 13 & 14</p>	Lecture: World Financial Markets & Institutions
<p>Session 7 - International Portfolio Investment</p> <ul style="list-style-type: none"> • International diversification & portfolio risk reduction • Evaluation of risks & opportunities • Effects of Changes in the Exchange Rate • Home Bias 	<p>Lecture: International Portfolio Investment</p> <p><u>Mid Semester Exam</u></p>

Required Reading Chapter 15	
Session 8 - Financial Management of a Multinational Firm - Part 1 <ul style="list-style-type: none"> • Foreign Direct Investment and Cross-Border Acquisitions • International Capital Structure and the Cost of Capital Required Reading Chapters 16, 17	Lecture: Financial Management of a Multinational Firm
Session 9 - Financial Management of a Multinational Firm - Part 2 <ul style="list-style-type: none"> • International Capital Budgeting • Multinational cash management. • International Trade Finance • International tax environment and transfer pricing • International corporate governance Required Reading Chapters 18, 19, 20, 21	Lecture: Financial Management of a Multinational Firm Financial Innovation online discussion
Session 10- Research Paper Oral Presentation	
Session 11- Final Exam (2 Hours)	
Session 12: Online Activities	

Attendance, Participation & Student Responsibilities

Attendance

CAPA has a mandatory attendance policy. Attendance is taken at the beginning of every class.

The first time a student has an unexcused absence for a class, his/her grade will not be impacted. The second time a student has an unexcused absence in that class, it will result in a 3 percent reduction of the final grade (for example: an A- [92] will become an B+ [89]). The student will be placed on academic probation at this time. Three unexcused absences per class will result in failure of the course. A pattern of three absences in more than one course will result in dismissal from the program.

Excused Absences

Absences are only excused for medical reasons, for a family emergency or for a religious holiday. To request an excused absence, students must contact excused.absence@capa.org ahead of time and provide evidence (e.g. a doctor's note) of the reason for his/her absence, otherwise the absence will not be excused.

Even if the student knows the absence will not be excused, the student should still contact CAPA to inform CAPA they will not be in class.

In addition to contacting excused.absence@capa.org, it is the responsibility of the student to contact his/her instructor and make up any missed assignments.

Class Participation

Students are expected to participate actively and critically in class discussions, and the participation portion of the class will be graded accordingly. Students must read assignments BEFORE the class and come in on time.

Participation is a vital part of your grade: students are expected to participate orally in seminars and in online forums and discussions in a critical and evaluative manner; to interact with the faculty and fellow students with respect and tolerance; and to actively engage in discussion. Derogatory or inflammatory comments about the cultures, perspectives or attitudes of others in the class will not be tolerated.

Any student who feels they may need an accommodation based on the impact of a physical, psychological, medical, or learning disability should contact the instructor and/or the director of academic affairs privately to discuss your specific needs.

Academic Integrity

A high level of responsibility and academic honesty is expected. Because the value of an academic course depends upon the absolute integrity of the work done by the student, it is imperative that a student demonstrates a high standard of individual honour in his or her scholastic work and class behaviour. Plagiarism, self-plagiarism and cheating can result in dismissal from the program.

Self-plagiarism, copying an assignment entirely or partially to submit to a different class attempting to receive credit twice for one piece of work is unacceptable and considered cheating by duplication. Students risk receiving an "O" for any assignments in which they have duplicated their own work.

All substantial writing assignments (typically anything worth 20% or more of the final course grade) will be run through the plagiarism checking software Turnitin when submitted via CANVAS. See CAPA's Academic Standards and Policies for more information and resources on plagiarism.

Use of electronic equipment in class

All devices such as laptops, iPods, iPads, netbooks, notebooks and tablets, smartphones, cell phones, etc. are *not* allowed unless you have express permission from the faculty or you have been instructed to do so. If you require an accommodation to use any type of electronic equipment, inform the Associate Director of Academic Affairs at the beginning of Term.

Use of Electronic Translators

In Language courses students are NOT allowed to use electronic translators for writing texts in the target language: those submitting compositions and texts of whatever kind translated in such a fashion will receive a final F grade for the course.

Late Submission

Late submission of papers, projects, journal entries, pieces of homework and portfolios is only permitted with prior approval. A request must be made to the relevant Faculty member no later than two days prior to the due date. Late submission without prior approval will result in a full alpha grade penalty. In either case, work cannot be submitted after feedback has been provided to the rest of the class on the relevant assessment or one Session after the due date whichever comes first, after which point a grade of F will be given for the assessment.

Behaviour during Examinations

During examinations, you must do your own work. Unless specifically instructed by the lecturer or instructor, talking during an exam is not permitted, nor may you compare papers, copy from others, or collaborate in any way. Any failure to abide by examination rules will result in failure of the exam and may lead to failure of the course and disciplinary action.