

AUGSBURG COLLEGE
FIN 460 – INTERNATIONAL FINANCE -Spring 2008 WEC SYLLABUS

INSTRUCTOR: Marc McIntosh, DBA, MBA, CPA
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CLASS: Saturday mornings 8:00-12:00pm

OFFICE HOURS: Up to one hour after class and by appointment

COURSE DESCRIPTION: This course develops tools for practicing multinational financial management including: currency exchange rates, risk, forecasting, spot and forward rates, hedging, international monetary and trade flows as represented in the accounting and macroeconomic identities for current account and trade deficits. This course extends the framework of financial management to include international transactions as well as ethical considerations.

PREREQUISITES: FIN 331 - Financial Management;

COURSE OBJECTIVE/RATIONALE: Business today is global in scope. A manager needs specialized skills and knowledge to conduct international business. This course examines the global environment in which a multinational firm operates, the mechanism of international payments, currency futures, options, spot and forward foreign exchange rates and the markets and risks imposed by these. We also discuss the financial management of a multinational firm – international portfolio management, capital budgeting and the measurement and management of political risk.

REQUIRED TEXT: Eun/Resnick : International Financial Management 4th Edition, McGraw Hill, 2007. Wall Street Journal, Business Week, Fortune, Financial Times, and Economist. Additional reading materials may be assigned.

REQUIRED CASEPACKET: Available in the bookstore

Attendance: Regular class attendance is required. Since there will be a significant amount of discussion about concepts and problems in class, attendance is very important to success in the class. You must complete the work for a missed class on your own.

Policy on Missed Exams:

Students who will be missing an exam will need to communicate this to the professor a week in advance. If properly communicated an alternative time can be scheduled (this should be related to a medical or family emergency). If the appropriate communication is not used, the student will need to drop the exam. Students missing more than one exam will be encouraged to drop the class.

Internet: Text Web site: <http://www.mhhe.com/er4e>

Academic Honesty: It is assumed that the student has read and understood the Augsburg College Academic Honesty Policy. The policy will be strictly enforced.

Evaluation Criteria:

- 4.0 Achieves the highest standards of excellence
- 3.5
- 3.0 Achieves above basic course standards
- 2.5
- 2.0 Meets basic standards of the course
- 1.5
- 1.0 Performance below course standards
- 0.5
- 0.0 Unacceptable performance for course credit

Evaluation Methods:

Evaluation Tool	Points
Disney in South Korea Project	100
Case Analysis/Homework	150
Attendance/Participation	50
Country Risk Project	100
Extra Credit Project	
<u>Total</u>	<u>400</u>

Course Outline, Homework and Exams:

Problem sets will be assigned to emphasize concepts students are expected to understand for the examination and this class. For each chapter you should read the assigned chapters. In class we will focus on text materials and problems that you find difficult to understand on your own.

<u>DATE</u>	<u>Topics</u>	<u>Problems</u>
12-April	Introductions Ch. 1 Globalization and the MultiNational Firm Chapter 16 – Foreign Direct Investment and Cross Border Acquisitions FDI in China - Global Costs of Opacity – Managing Risk in an Unstable World - Strategies that fit Emerging Markets HBS Case – Toys R US Japan	TBD
26-April	HBS Case – Jollibee Foods HBS Case – Eli Lilly in India	

10-May	Chapter 17 – International Capital Structure and the Cost of Capital Chapter 18 – Capital Budgeting	TBD
	HBS Case – AES and Globalizing the Cost of Capital	
17-May	Chapter 11 – International Banking and Money Markets Chapter 12 – International Bond Market HBS Case – JC Penny Bond Financing	TBD
	Chapter 13 – International Equity Markets Chapter 14 – Interest Rate and Currency Swaps	TBD
31-May	Chapter 15 – International Portfolio Investment Chapter 2 International Monetary System Chapter 3 Balance of Payments	TBD
7-June	Chapter 5 – The Market for Foreign Exchange HBS Note – Foreign Exchange Markets and Transactions Chapter 6 – International Parity Relationships Chapter 7- Futures and Options on Foreign Exchange	TBD
	Case - Merton Electronics	TBD
21-June	HBS Case – Aspen Technology	TBD
	Chapter 8 – Management of Transaction Exposure	
	Chapter 9 – Management of Economic Exposure Chapter 10 – Management of Translation Exposure HBS Case – General Motors FX Hedging Strategies	

