

Jacksonville University

International Finance

FIN 415 Spring 2016

**Tuesday 6:00PM – 8:50PM**

**Room 117**

Instructor: Professor Maggie Foley

Office: **118A** DCOB

Office Hours: TR 1PM – 4PM, W 2PM-4PM, and by appointment

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***Vision***

Our vision for the Davis College of business is to be recognized as an institution that cultivates global leaders who positively influence and serve their communities, business and nation.

***Mission***

Our mission is to deliver a high quality educational program that develops leaders who create and promote ideas with a strategic mindset; demonstrate their business expertise; lead organizations toward economic success; and exhibit the highest standards of professionalism and ethics.

***Core Mission Values***

1. We are committed to supporting continuous personal, professional and leadership development of our students, alumni, and community members.
2. We support progressive and meaningful research, creative activity, and knowledge dissemination. We celebrate excellence in teaching.
3. We strive to become thought-leaders in global management education based on our active pursuit of global partners in business and education
4. We recognize the value of ethnic and cultural diversity and welcome and respect people of differing backgrounds, beliefs, and points of view.
5. We value and foster mentoring relationships and shared responsibility for learning.
6. We embrace and explore technology as a means of enhancing and delivering management instruction in order to increase flexibility for our students and expand our academic outreach.
7. We actively seek partnership opportunities with the corporate community in order to enrich the educational experience of our business students and promote the practical relevance of our college.

# Course Description

The objective of this course is to learn about the complexities involved in finance when foreign issues are introduced to a firm’s operations. The three major issues are currency exchange, firm governance, and the economic and social idiosyncrasies of nations; these topics include a host of subtopics. The topics we cover will include exchange rate analysis, hedged costs of funds, economic exposure and management, and financial and corporate strategy. We will also cover the broader topics of international capital markets, governance, and perspectives of the corporation and its stated goals.

Class time will be composed of lecture and discussion. Class structure will be flexible and the course outline is tentative. You are encouraged to read relevant periodicals and books and introduce topics from that reading. Some suggestions of periodicals providing relevant material for increasing your knowledge in the field and that will help stimulate your thinking are the Wall Street Journal, the Financial Times, and the Economist.

I require that you read the assigned chapters from the text that I have chosen for this class, it will provide a foundation by which you will be able to understand better our discussions about current events. Further, the lectures (and exams) will most always be rooted in the textbook.

By the end of the course, conscientious students will have achieved the following objectives:

* **Demonstrate** with a basic knowledge of how international financial markets work.
* **Understand** the environment and factors associated with foreign exchange rate determination.
* **Demonstrate** knowledge of basic strategies and techniques associated with foreign exchange risk management.
* **Understand** key economic theories that underlie the foundation of foreign exchange risk management.
* **Use** of a spreadsheet program to analyze data.
* **Use** of the Internet to acquire necessary information.

Personal Philosophy of Teaching and Learning

To me, learning is fun. I think that all college students should feel this way about learning. A good instructor makes this happen by making the class clear and interesting, by giving students opportunities for inquiry and rewarding them for critical thinking.

To make the class clear and interesting, I focus on conveying the material to the students through real world examples. This equips the students their text book knowledge in a constantly changing world. I believe in using group discussions, in-depth term projects and students’ presentations. I encourage students to ask questions, because those questions help identify where students’ are having difficulty, and helps to keep them interesting in the class.

# Required Text

The required text for this course is:

International Financial Management, 12th edition

by Jeff Madura

ISBN-10: **1133947832** | ISBN-13: **978-1133947837** | Edition: **12**

**Class Website**

[www.jufinance.com/fin415\_16s](http://www.jufinance.com/fin415_16s)

# Grading

## **Assignments**

2 Exams 60%

Homework 20%

Term Project 20%

Extra Credit ???

## **Scale**

A 90 - 100% B 80– 87.5% B+ 87.5 – 89%

C+ 77.5 – 79% C 70 – 77.5% D+ 67.5 – 69%

D 60 – 67.5% F 0 – 59%

## **Exams 60%**

Two exams will be given during the semester. Exams are closed book and closed note. The exams will include material from assigned readings and class discussions. Your attendance in class will help ensure that you do not miss any pertinent information. The exams may include multiple choice questions and short answer questions (baby essays).

Exams later in the semester will tend to focus on new material. As exams approach, I will provide more information as to what types of questions you should expect. Also, note that the material we cover in the earlier exams provides a basis for understanding the material in the remainder of the course.

# Homework 20%

There will be several homework sets assigned during the semester. Homework due dates are specified during the course work. Homework is generally due at the beginning of class. The goal of homework is to help your understanding of the material. Note that questions similar to the homework may appear on exams – so it is important that you understand how to work problems by yourself. Submitted work must be legible. If I cannot read your work it will receive a grade of zero.

**Term Project 20%**

There will be a term project, the Multinational Financial Management. This project helps students to understand the factors that influence the performance of Multinational Companies. The project covers topics including exchange rate quotation, interest rate parity, purchasing power parity, and international capital market.

**Extra Credit**

Extra credit will be determined and announced during regular class meetings.

## **Late or Missed Assignments and Exams**

Make-up exams are not offered in this course. Religious observances and emergency situations will be evaluated on an individual basis and must be accompanied by valid documentation.

### Academic Misconduct

Jacksonville University students are expected to contribute to the development and sustenance of a community characterized by respect, caring and honesty. The academic honor system of Jacksonville University is based on the premise that each student is expected to adhere to the highest standard of academic honesty.

Academic misconduct is defined as: any form of cheating, including concealed notes during an exam, copying or allowing others to copy during an exam, submission of another person’s work for evaluation, preparing work for another person’s submission, unauthorized collaboration on an assignment, submission of the same or substantially similar work for two courses without the permission of the professors, as well as, plagiarism. (*JU 2004-2005 Academic Catalog*). Any violations of these standards will not be tolerated and will be punished to the fullest extent possible under University policy.

### Special Needs

The Jacksonville University and the Davis College of Business are committed to meeting the needs of all students. If you have a disability or are in need of special assistance, please provide medical and/or psychological documentation of the disability to the Student Life Office. This office will provide you with documentation that should be given to Dr. Matrecia James directly so that your needs can be appropriately met.

### Food/Drink

College policy prohibits all food and drink in the classroom.

### Changes/Additions to Syllabus

This syllabus may be changed at any time during the semester. All changes/additions will be announced in class.

**Topics we will likely cover this semester**

International flow of funds (chapter 2)

International financial markets (chapter 3)

Exchange rate determination (chapter 4)

Currency derivatives (chapter 5)

Government Influence on exchange rates (chapter 6)

International arbitrage and interest rate parity (chapter 7)

Relationships among inflation, interest rates and exchange rates (chapter 8)

Forecasting exchange rates (chapter 9)

Measuring exposure to exchange rate fluctuations (chapter 10)

Managing transaction exposure (chapter 11)

Managing economic exposure and translation exposure (chapter 12)

Country risk analysis (chapter 16)

Multinational cost of capital and capital structure (chapter 17)

**Tentative Calendar**

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| **Week** | **Date** | **Chapters** |
| Week1 | Tuesday, March 8th, 2016 | Review of the global market  Chapter 2, 3 |
| Week 2 | Tuesday, March 15th, 2016 | Chapter4, 5 |
| Week 3 | Tuesday, March 23th, 2016 | Chapter 6, 7 |  |
| *Week 4* | Tuesday, March 30th, 2016 | ***Mid Term*** |
| Week 5 | Tuesday, April 5th, 2016 | Chapter 8, 9 |
| Week 6 | Tuesday, April 12th, 2016 | Chapter 10, 11 |
| Week 7 | Tuesday, April 19th, 2016 | Chapter 12, 16, 17 |
| *Week 8* | Tuesday, April 26th, 2016 | ***Final and Project Due*** |

**Note: This is a tentative schedule. Alterations will most likely be made.**