I. Catalog Description:

Designed to focus on the application of finance concepts in the international environment.

II. Required Background or Experience:

A. Prerequisites: FINC 3511 or equivalent
B. Prerequisites Justification: Knowledge of finance needed in order to work with risk/return tradeoff, gain an understanding of international direct and portfolio investment and international financial markets.
C. General Education (Core) Contribution: The course uses the writing skills developed in English courses, oral skills developed in speech courses, mathematical methods and critical thinking acquired in mathematics courses. The course uses basic finance knowledge acquired in FINC 3511, legal knowledge from BUSA 2106, and computer applications knowledge from CISM 2201.

III. Expected Outcomes: (www.westga.edu/~accfin/outcomes.htm)

A. Communicate effectively in oral presentations and in writing -- LO1 (Learning Outcome 1); ER1, ER7, ER9 (Expected Result 1, Expected Result 7, Expected Result 9)
B. Acquire basic skills in information and business technology -- LO3; ER2.
C. Apply basic quantitative skills to business problems-- LO2; ER2.
D. Recognize how diversity, ethical decision making and leadership, social responsibility, globalization, and multicultural considerations affect organizations and their environment—LO5; ER4.

IV. Text and References:


V. Special or Unique Student Material:

Additional handouts from various sources will be distributed during sessions.
VI. Special or Unique University Facilities:

Access to computer with Internet, spreadsheet, and word-processing programs as provided by the student lab.

VII. Expanded Description of the Course and Instructional Method:

A. The course provides a conceptual framework of international financial management at the introductory level by concentrating on issues relevant to the management of multinational firms.

B. Instructional Methods:
   1. Lecture and Problem Solving: Discussion of topics in the general areas of foreign exchange markets, currency futures and option markets, balance of payments, exchange rate determination parity conditions, foreign exchange risk and hedging, international financing, and international investment are discussed in lectures presented by the instructor. During lectures, students contribute through their comments sometimes triggered by the questions raised by the instructor. Students contribute to the evaluation of analytical problems.
   2. Group/Spreadsheet Assignment and Oral Presentation: Students will be assigned to a four-five person group to analyze issues related to foreign exchange. The project is attached to this syllabus.
   3. Individual Assignment and Oral Presentation: Each student is to critically examine and discuss in a written report on a specific aspect of international finance. The project is attached to the syllabus.
   4. Homework Assignment: Homework questions and problems are assigned for each chapter covered in the course. A subset of these questions will be handed in at the mid-term and final exam.

VIII. Methods of Evaluating the Outcomes:

A. Evaluation Tools:
   Mid-Term Exam  30%
   Group Assignment  20%
   Final Exam  20%
   Homework Assignments  10%
   Individual Assignment  20%

B. Learning Domains:

**Daily Course Outline:**
- **Session 1(08/26)** Course Overview and The Globalization Process, Chapter 1
- **Session 2(09/02)** The History of Foreign Exchange Rates, Chapter 2 and The Balance of Payments, Chapter 3, COMPUSTAT Overview
- **Session 3(09/09)** International Parity Conditions, Chapter 4
- **Session 4(09/16)** Foreign Exchange Rate Determination, Chapter 5
- **Session 5(09/23)** Foreign Exchange Rate Determination, Chapter 5 and Foreign Exchange Market, Chapter 6
- **Session 6(09/30)** Foreign Exchange Market, Chapter 6 and Foreign Currency Derivatives, Chapter 7, Draft of Individual Project Due
- **Session 7(10/07)** Exam 1 over Chapters 1, 2, 3, 4, 5, 6, and 7, Last day to withdraw with W
- **Session 8(10/14)** Exam Review and Group Breakout
- **Session 9(10/21)** Measuring and Managing Accounting Exposure, Chapters 8, 9, and 10, Individual Project Due
- **Session 10(10/28)** International Portfolio Theory, Chapter 19
- **Session 11(11/04)** Foreign Direct Investment, Chapter 15
- **Session 12(11/11)** Capital Budgeting for the Multinational Firm, Chapter 16
- **Session 13(11/18)** Cross-Border Mergers and Acquisitions, Chapter 18
- **Session 14(12/02)** Course Synthesis
- **Session 15(12/09)** Oral Presentations Due Exam Preparation and Review

**Final Exam** December 14, 8-10 p.m.

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**NOTE 1:** This course covers the following AACSBi perspectives:
- International issues
- Influence of legal and regulatory issues
- Ethical issues
- Written communication
- Oral Communication
- Social issues

**NOTE 2:** This course covers the following teaching objectives:
- Provides depth in major
- Developing oral and written communication skills
- Develops analytical/critical thinking
- Encourages computer usage
- Encourages social responsibility
Applied Group Project - FINC 4521

The purpose of the project is to provide opportunities for students to learn how to work with international finance in a team setting. Being a team player is an important part of contributing to a productive work environment. A team consists of 4 students. Each team will observe, analyze and report the daily movement of two exchange rates from July 1 to November 15, 2004. The two exchange rates are the US dollar VS the currency of one of the countries that the US has trade deficits with, and the US dollar VS the currency of one of the countries that the US has trade surplus with. Foreign exchange rate can be found in Section C of the Wall Street Journal or other approved websites.

RESPONSIBILITIES OF TEAMS:

1. Provide a spreadsheet (with disk) indicating two exchange rates, percentage changes and indices observed on each date.
2. Furnish a statistical summary of the behavior of the two exchange rates, including the mean, standard deviation, and coefficient of variation for each month.
3. Graph the behavior of the exchange rates over the period, July 1-November 15.
4. Write a summary of five to ten pages indicating the exchange rates’ behavior over the period. Identify the key events and/or factors that influenced the rates since August 1. Compare the performance of the rates for the different time periods identified above and between two rates. Properly indicate the sources of work cited. For specific reference format, refer to The Chicago Manual of Style.
5. The team project must be typed using Times New Roman 12 point font, be double-spaced, and be free of error. Margins must be set at one inch all around.
6. Each group will make a 20-minute presentation of their findings on December 9, 2004

DATE DUE: The project is due December 2, 2004 at the beginning of class. The semester project grade will be reduced by 50 percent if submitted after this time but before the last class on December 4. The project will not be accepted after the last class. Grades on this project will be based on the following criteria:

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<th>Poor</th>
<th>Fair</th>
<th>Good</th>
<th>Excellent</th>
<th>Team Score</th>
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<tr>
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<tr>
<td>Statistical Summary</td>
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<td>TOTAL POINTS</td>
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A forced separation will be used on each component of the grade with 1/3 receiving fair, 1/3 good, and 1/3 excellent. If poor quality work is submitted, then the poor scores will be lumped with the 1/3 receiving fair. In addition, there is a peer-grading component.
Applied Individual Project- FINC 4521

**Description:** The applied project is an opportunity for you to research and write a report on a topic that is both relevant to the course and is of personal interest to you. You can pick a topic in international financial markets from the following general areas:

- Currency issues in International Investing
- International Equity Markets/Instruments
- International Fixed Income Markets/Instruments
- Swaps, Futures, Options
- International Performance Evaluation

Your report must contain some form of quantitative and statistical analysis. I suggest checking recent issues of the *Financial Analysts Journal, Financial Management,* or *other finance journal* for topic ideas for your paper. Below are some topic ideas:

- Computstat Project using a Dependant Variable of your choice contrasting United States companies versus Canadian (or other) companies
- Core Earnings versus Net Income in Canadian and American Firms
- Multiple Currency Performance Evaluation
- Country Risk and Global Equity Selection
- US Domiciled Global Mutual Funds- A performance evaluation
- Industry vs. Country Risk in International Portfolios
- Active Currency Risk Management: Evidence from Int'l Equity and/or Bond Funds
- Global Asset Management and Performance Attribution
- Active vs. Passive Management of Int'l Equity and/or Bond Funds
- Int'l Diversification through Emerging Market Country Funds
- Int'l Asset Allocation with Hedged and Unhedged Stocks and Bonds
- Why Don't Investors Invest More Overseas? High Portfolio Turnover Costs?
- Have Int'l Correlations been Increasing or Decreasing?
- Int'l Diversification with Bonds
- Technical Analysis in Foreign Exchange Markets
- Performance of Currency Forecasters
- Using Earnings Estimates for Global Asset Allocation
- International Exposure of American Companies

Topics will be given out on a first come, first serve basis as outlines are submitted to me. With the exception of the Computstat project, I will close of a topic if more than three people are researching it.

**Format:** The paper should be structured in a way similar to professional journal articles. You should include at least 5 references. At least 3 references should come from professional or academic journals such as *Financial Management, Advances in Quantitative Analysis of Finance and Accounting,* or *Financial Analysts Journal.* You should have a cover page, abstract, body, exhibits and references. Please use footnotes as illustrated by the example Journal of Finance article that I will hand out. The paper should be in the area of 10-15 pages of text, excluding cover page, abstract, exhibits and references.
This work should be done individually; it is not a collaborative effort. Also, a documented case of plagiarism will result in a failing grade in the course. You can avoid plagiarizing by referencing direct quotes and paraphrases.

**Time Schedule:**

- **Outline and Draft Copy:** This should be a substantially completed paper, missing only the quantitative analysis. To receive credit you must have an introduction, a list of the intended independent and dependant variables, a data description including expected sample size, and at least three citations. This is due September 30.
- **Final Copy:** Due before 7:30 p.m. October 21. The project grade will be reduced by 50 percent if submitted after this time but before 7 p.m. on October 28. The project will not be accepted after October 28.

Grades on this project will be based on the following criteria:

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