FINC 4521 – INTERNATIONAL FINANCE  
TUESDAYS-THURSDAYS AT 2:00 P.M., ADAMSON 115  
EXPANDED COURSE OUTLINE  
FALL 2007

Professor: Charles Hodges       Office: ADAMSON 205B  
Telephone: (678) 839-4816       Office Hours: T,Th 3:15-5:30  
E-Mail: chodges@westga.edu       W 9:00-11:30  
                                      1:00-4:00  
                                      by appointment (I am in my office most days; feel free to “drop-in.”)

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: (http://www.westga.edu/~busn/lg_bba.htm)

   A. Communicate effectively in oral presentations and in writing -- LG1.

   B. Acquire basic skills in information and business technology -- LG3.

   C. Apply basic quantitative skills to business problems—LG2.

   D. Recognize how diversity, ethical decision making and leadership, social responsibility, globalization, and multicultural considerations affect organizations and their environment—LG5.

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. The Course Webpage is at http://www.westga.edu/~chodges/html/finc_4521.html.

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. Quizzes: During the semester, there will be between twelve and twenty short “pop” quizzes. These quizzes review recent material and will take less than 20 minute to complete. I will drop your lowest quiz score when computing your quiz average. These quizzes may be given at any time within a class and are being used in lieu of an attendance requirement. There is no make-up for missed quizzes.

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  20%
- Quizzes 35%
- Final Exam 20%
- Individual Assignment 15%
- Homework Assignments 10%
B. Learning Domains:

Daily Course Outline:

Session 1 (08/16) Course Overview and Finance Club
Session 2 (08/21) Globalization and the Multinational Firm, Chapter 1
Session 3(08/23) The International Monetary System, Chapter 2
Session 4(08/28) The Balance of Payments, Chapter 3
Session 5(08/30) The Balance of Payments, Chapter 3
Session 6(08/04) Global Corporate Governance, Chapter 4
Session 7(09/06) Foreign Exchange Market, Chapter 5
Session 8(09/11) Foreign Exchange Market, Chapter 5
Session 9(09/13) International Parity Conditions, Chapter 6
Session 10(09/18) International Parity Conditions, Chapter 6
Session 11(09/20) International Parity Conditions, Chapter 6
Session 12(09/25) Futures and Options, Chapter 7
Session 13(09/27) Futures and Options, Chapter 7
Session 14(10/02) Exam Preparation and Review
Session 15(10/04) Mid-Term Exam
Session 16(10/09) Mid-Term Exam
(10/08) Last day to withdraw with grade of W
Session 17(10/11) Fall Break
Session 18(10/16) Exam Review
Session 19(10/18) Research Day
Session 20(10/23) Transaction Exposure Management, Chapter 8
Session 21(10/25) Economic Exposure Management, Chapter 9
Session 22(11/01) Translation Exposure, Chapter 10
Session 23(11/06) International Tax Management, Chapter 21
Session 24(11/08) International Tax Management, Chapter 21
Session 25(11/13) International Portfolio Theory, Chapter 15
Session 26(11/15) International Portfolio Theory, Chapter 15
Session 27(11/20) Foreign Direct Investment, Chapter 16
Session 28(11/27) International Trade Finance, Chapter 20
Session 29(12/04) Student Oral Presentations
Final Exam December 11, 2-4 p.m.

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

NOTE 3: In response to a new requirement, the AP&P Committee, with the approval of the Faculty Senate, requires a statement in the syllabus regarding whether extra credit will be allowed and whether work completed for another class will be acceptable in that course.

- Statement, I never allow extra credit and I never allow work completed for another class to be acceptable in any of my courses.
**Applied Individual Project- FINC 4521**

The purpose of the project is to provide opportunities for students to analyze currency movements. You will observe, analyze and report the daily movement of two exchange rates from May 1 to November 1, 2007. The two exchange rates are the US dollar versus the currency of one of the countries with which the US has trade deficits, and the US dollar versus the currency of one of the countries with which the US has a trade surplus. The currency must be one that floats or has a managed float against the US dollar. If your currency has a fixed exchange rate against the dollar, you will receive a much lower grade.

**RESPONSIBILITIES:**

1. Provide a spreadsheet (via disk or email) 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.
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. Compare the performance of the rates for the different periods identified above and between two rates. Properly indicate the sources of work cited.
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. You will be prepared to make a 5-7 minute presentation of findings on November 29, 2007.

**DATE DUE:** The project is due November 29, 2007 at the beginning of class. The semester project grade will be reduced by 50 percent if submitted after this time but before 3:15 p.m. 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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<thead>
<tr>
<th></th>
<th>Poor</th>
<th>Fair</th>
<th>Good</th>
<th>Excellent</th>
<th>Team Score</th>
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<tbody>
<tr>
<td>Analysis</td>
<td>20</td>
<td>26</td>
<td>30</td>
<td>35</td>
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<tr>
<td>Statistical Summary</td>
<td>14</td>
<td>16</td>
<td>18</td>
<td>20</td>
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<tr>
<td>Spreadsheet and Graphs (Tables)</td>
<td>14</td>
<td>16</td>
<td>18</td>
<td>20</td>
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<td>Appearance (Organization) of the Report</td>
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<td>11</td>
<td>13</td>
<td>15</td>
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<td>Oral Presentation of the Report</td>
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<td>6</td>
<td>8</td>
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<td><strong>TOTAL POINTS</strong></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.