Professor: Charles Hodges                   Office: Room 18 - RCOB
Telephone: (678) 839-4816           Office Hours: T, R: 2:30-5:30 PM
Email: chodges@westga.edu

W: 3:00-7:00 PM
and 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: (www.westga.edu/∼accfin/outcomes.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.

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 six and ten 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(08/23) Course Overview and Financial Goals and Corporate Governance of the Global Corporation, Chapter 1
Session 2(08/30) The International Monetary System, Chapter 2 and The Balance of Payments, Chapter 3
Session 3(09/06) International Parity Conditions, Chapter 4
Session 4(09/13) More Parity Conditions, Chapter 4 and Foreign Exchange Rate Determination, Chapter 5
Session 5(09/20) Foreign Exchange Rate Determination, Chapter 5 and Foreign Exchange Market, Chapter 6
Session 6(09/27) Foreign Exchange Market, Chapter 6 and Foreign Currency Derivatives, Chapter 7,
Session 7(10/04) Exam 1 over Chapters 1, 2, 3, 4, 5, 6, and 7, Last day to withdraw with W
Session 8(10/11) Exam Review
Session 9(10/18) Measuring and Managing Accounting Exposure, Chapters 8, 9, and 10
Session 10(10/25) International Portfolio Theory, Chapter 19
Session 11(11/01) Foreign Direct Investment, Chapter 16
Session 12(11/08) Multinational Capital Budgeting, Chapter 18
Session 13(11/15) Political Risk Assessment and Management, Chapter 18 and International Tax Management, Chapter 20
Session 14(11/29) Course Synthesis and Review
Session 15(12/6) Oral Presentations and Exam Preparation and Review
Final Exam December 13, 8-10 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
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 July 1 to November 15, 2005. The two exchange rates are the US dollar VS the currency of one of the countries with which the US has trade deficits, and the US dollar VS 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.

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 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. You will make an 8-10 minute presentation of their findings on November 29, 2005.

DATE DUE: The project is due November 29, 2005 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 6. 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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<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>
<td></td>
</tr>
<tr>
<td>Statistical Summary</td>
<td>14</td>
<td>16</td>
<td>18</td>
<td>20</td>
<td></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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<tr>
<td>Appearance (Organization) of the Report</td>
<td>9</td>
<td>11</td>
<td>13</td>
<td>15</td>
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<tr>
<td>Oral Presentation of the Report</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>10</td>
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<td>TOTAL POINTS</td>
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<td>500</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.