

National Economics University - Hanoi, Vietnam
International Finance
Summer 2013

Instructor: Wikrom Prombutr Ph.D.
e-mail: wikrom.prombutr@csulb.edu

I. Course Description

This course is designed to introduce students to the theories and practices of international financial management. The major topics include: issues and questions which concern financial management of international corporations; overview of international monetary systems, balance of payments, international capital flows, and foreign exchange markets; exchange rate determination, relations among international parity theorems, arbitrage opportunities and foreign investment decisions; various financial derivatives techniques used in foreign exchange markets; analysis of foreign exchange risk management in order to hedge transaction exposure of future in/out flows, operating exposure of assets and operating cash flows, and translation or accounting exposure in differing financial environments; risk and return concept, diversification, and portfolio management for international financial investments.

II. Course Learning Objectives

At the conclusion of the course, the students will be able to:

1. evaluate international monetary systems
2. analyze the role of international transactions in foreign exchange markets
3. explain the main theoretical relationships among exchange rates, inflation rates, and interest rates that result from international arbitrage activities
4. describe the measurement and implications of foreign exchange exposure
5. discuss the techniques for managing foreign exchange exposure
6. identify unique financial characteristics of international portfolio investments

III. Prerequisite

Please consult your NEU catalog

IV. Textbook

Eiteman, Stonehill, and Moffett, *Multinational Business Finance*, 12th edition, Prentice Hall

V. Policies and Procedures

A. Class Conduct

Students are expected to attend each class and students are expected to come to each class with their assignments completed. **All materials used in the class can be downloaded and printed out from the packet I provided.** Please note that various parts of the materials are covered for the purpose of the discussion in the class. Therefore, it is highly recommended that you print out the materials just as given and come to class to for the discussion.

B. Exams

There will be four (4) tests during the semester. The lower score of the exams will be dropped. No makeup exams will be given. If you have to miss an exam, the instructor must be notified before the exam.

The exams are closed-book and closed-note. However, an 8.5"x5.5" note sheet containing whatever you want on both sides will be allowed on each exam. Do not bring the note sheet larger than an 8.5"x5.5" measurement or you will be violating the academic dishonesty policy. You may bring your calculator(s). Any other electronic devices (e.g. cell phones, PDAs, MP3 players, and laptop computers) are not allowed during the exams. Your ID is required for the exams. Please bring your own Scantron which is available at the Bookstore.

C. Grading Policy

Exam for Chaps 1, 3, and 5	30
Exam for Chaps 6 and 7	30
Exam for Chaps 8 and 9	30
Exam for Chaps 2, 10, and 15	30
<u>Individual Research</u>	<u>10</u>
<u>Total (after dropping the lowest)</u>	<u>100%</u>

D. Assignments ←in the packet

Some handouts will be assigned as assignments. The assignments can roughly be used as guidelines for what you can expect to see in the exams. This doesn't guarantee that the exams will be similar to the assignments. The assignments will not be counted toward your grade. **No need to turn in the assignments.** They are for you to just gain more understanding about the materials. The assignments may not cover all aspects you are supposed to know for the exams. They are merely the samples of what the exams might look like.

E. Individual Research ←in the packet

The details on the individual research paper will be discussed in class.

F. Class Communication

Feel free to contact me at any time. I will respond your enquiry as soon as possible. I may share what you ask to the rest of the class if I think the issue is helpful for everyone. Allow your contact device to accept instant news from me.

VI. Course Outline

The following chapters (from my lecture notes in the packet) will be covered.

Chapter 1 – Overview of International Financial Management

Chapter 3 – Balance of Payments
Chapter 5 – The Market for Foreign Exchange
Chapter 6 – International Parity Relationships and Forecasting Foreign Exchange Rates
Chapter 7 – Futures and Options on Foreign Exchange
Chapter 8 – Management of Transaction Exposure
Chapter 9 – Management of Economic Exposure
Chapter 10 – Management of Translation Exposure
Chapter 15 - International Portfolio Investment
Chapter 2 – International Monetary System

Some of the above chapters will be covered in less detail than others.

VII. Important Dates

To be announced

VIII. Disability Accommodation

It is the student's responsibility to notify me in advance of the need for accommodation of a disability.

I reserve my right to make any modifications to this syllabus. Modifications, if any, will be announced during class. You are responsible for all changes announced in class.