



**International Business Management Program
International College
Payap University
First Semester, Academic Year 2014**

I. Course Code: FN 375
Course Title: International Finance
Course Type: Major Required Courses
Number of Credits: 3(3-0-6)
Prerequisite: EC 102
Class Time: T/Th 8.00 – 9.30 a.m.
Course website: <https://sites.google.com/site/payapfn375>

II. Course Description

Concepts of international financial management. Financial systems in international financial management, balance of payments, foreign exchange market, purchasing power parity (PPP), forecasting markets, management of foreign exchange risk, working capital, investment, and international finance institutions.

III. Instructor: Mr. Waruth Kaosol
Position: Fulltime Instructor
Email: waruth_k@payap.ac.th
Telephone: 053-241255 Ext. _____

IV. Course Objectives

Upon completing this course, students should be able to:

1. Explains an overview of the multinational corporation (MNC) and environment in which it operates.
2. Become knowledgeable of international financial systems including balance of payments and global financial markets.
3. Become knowledgeable of the relation between spot and forward exchange rates, interest rates and inflation.
4. Explains the various functions involved in managing exposure to exchange rate risk.
5. Acquire the necessary skills of currency hedging and exchange rate forecasting techniques.
6. Develop the ability to make appropriate international financial management decisions.

V. References: Moffett M., Stonehill A., Eiteman S., 2010, *Fundamental of Multinational Finance*, 4th edn, Pearson.
Required: Eiteman S., Stonehill A., Moffett M., 2010, *Multinational Business Finance*, 12th edn, Pearson.
Supplemental reading: Madura, J., 2010, *International Corporate Finance*, 11th edn, South Western CENGAGE Learning.

VI. Expectations

1. Demonstrated proficiency in the use of the English language is expected for writing assignments. Grammatical errors and writing that do not clearly express ideas will affect your grade.
2. Ability to participate in oral presentations, public debate and commentary during class periods.
3. Assigned readings are meant to be completed prior to class.
4. You will ask for help when you need it.
5. The course website should be accessed regularly to follow postings and schedule changes.

VII. Course Policies

1. Academic Honesty

The IBM department has a zero tolerance for plagiarism. This includes downloaded material from the Internet, copied passages from a book or a fellow classmate without proper acknowledgment of the source(s). Breaches of academic integrity which includes submitting other peoples work as your own will result in an automatic grade of zero for the assignment/ exam, and may be reported to the judicial affairs officer. All students are responsible for learning the proper forms of citation required by the course instructor

2. Handing in Assignments

Unless otherwise noted, all assignments are due in class, on the date specified, and typed. Please use 12 point font and 1.5 spacing between lines. Late assignments suffer a 50% penalty, starting at the end of the class on the due date; no late assignments will be accepted more than 1 week after the due date.

3. E-mail

I do welcome questions and will provide input to you over email. Additionally, for help on assignments, come to office hours or schedule an appointment to see me.

4. Attendance

Regular attendance is expected for all students enrolled in the course. Students who arrive late or leave early will be counted as late and three will equal an absence. Every student is responsible for all material covered in class when absent. Students who miss more than 80% of the classes will not be eligible to take the final examination.

5. Disruptions to class

Your participation in class discussions on material and questions is important, welcome and integral to the class. However, I do not tolerate cross talk or disruptive conversations during class. Private conversations in class are disruptive, and prevent other students from hearing and learning from the material presented. You may be asked to leave the class if you are disruptive to other students. All mobiles must be turned to silent and put away. You can only use your electronic devices (Ipads, Netbooks, etc.) if they are being used to follow the lecture PowerPoints or research relevant information to the topic being discussed.

VIII. Course Assessment Scheme

TBA

IX. Course Grading & Requirements

Class grading will be based on points in the following distribution (Percent):

Class Participation/Quizzes	10	%
Reports / Papers (Individual 10%/Group 10%)	20	%
Case Studies	20	%
Midterm Exam	20	%
Final Exam	<u>30</u>	<u>%</u>
	<u>100</u>	<u>%</u>

Individual/Group

X. Evaluation Criteria

1. Students are required to attend at least 80% of the classes to be eligible for the final examination.
2. This course employs the standardized grading system:

80 - 100	A
75 - 79	B+
70 - 74	B
65 - 69	C+
60 - 64	C
55 - 59	D+
50 - 54	D
0 - 49	F

3. The following grades may also be given:

'I'	Incomplete
'W'	Withdrawn
'IP'	Course work in progress

XI. Class Schedule

The details of this document may be changed during the course of the semester. Any changes will be announced in class or/and posted on the course website.

Topic	Assignments	Due
1. Multinational Financial Management: An Overview 1.1 Managing the MNC 1.2 Governance 1.3 Why Firms Pursue International Business 1.4 How Firms Engage in International Business 1.5 Valuation Model for an MNC	TBA	TBA
2. International Flow of Funds 2.1 Balance of Payments 2.2 Factors Affecting International Trade Flows 2.3 International Capital Flows 2.4 How Trade Affects an MNC's Value	TBA	TBA
3. International Financial Markets 3.1 Foreign Exchange Market 3.2 International Money market 3.3 International Credit Market 3.4 International Bond Market 3.5 International Stock Market	TBA	TBA
4. Exchange Rate Determination 4.1 Measuring Exchange Rate Movements 4.2 Exchange Rate Equilibrium 4.3 Factors That Influence Exchange Rates	TBA	TBA
5. Currency Derivatives 5.1 Forward Market 5.2 Currency Futures Market 5.3 Currency Options Market	TBA	TBA
6. Government Influence on Exchange Rates 6.1 Exchange Rate Systems 6.2 Government Intervention	TBA	TBA
7. Interntional Arbitrage and Interest Rate Parity 7.1 International Arbitrage 7.2 Interest Rate Parity (IRP)	TBA	TBA
8. Relationship among Inflation, Interest Rates, and Exchange Rates 8.1 Purchasing Power Parity (PPP) 8.2 International Fisher Effect (IFE) 8.3 Comparison of the IRP, PPP, and IFE	TBA	TBA
9. Forecasting Exchange Rates 9.1 Why Firms Forecast Exchange Rates 9.2 Forecasting Techniques	TBA	TBA
10. Measuring Exposure to Exchange Rate Fluctuations 10.1 Relevance of Exchange Rate Risk 10.2 Transaction Exposure 10.3 Economic Exposure 10.4 Translation Exposure	TBA	TBA
11. Managing Transaction Exposure 11.1 Hedging Exposure to Payables 11.2 Hedging Exposure to Receivables 11.3 Alternative Hedging Techniques	TBA	TBA

Topic	Assignments	Due
12 Managing Economic Exposure and Translation Exposure 12.1 Managing Economic Exposure 12.2 Managing Translation Exposure	TBA	TBA
13. Direct Foreign Investment 13.1 Motives for Direct Foreign Investment 13.2 Benefits of International Diversification	TBA	TBA
14. Multinational Capital Budgeting 14.1 Subsidiary vs. Parent Perspective 14.2 Input for Multinational Capital Budgeting 14.3 Multinational Capital Budgeting Example 14.4 Other Factors to Consider	TBA	TBA
15. Working Capital Management 14.1 Multinational Working Capital Management 14.2 Techniques to Optimize Cash Flows	TBA	TBA