

Syllabus Spring 2007

International Finance, FINA 4810

Mark J. Laplante

Course Description: International business decision making emphasizing the effects of internationalized financial and non-financial markets. Exchange rate analysis, hedged costs of funds, economic exposure and management, capital budgeting, financial and corporate strategy, and the evaluation of international risks and returns.

Prerequisites: Undergraduate prerequisite: FINA 3000 and (MSIT 3000 or STAT 3000).

Lecture: Tuesday and Thursdays, 9:30 to 10:45 a.m., Caldwell 107
Tuesday and Thursdays, 11:00 to 12:15 p.m., Caldwell 304

Teaching Assistant: Akhil Jain. Contact TA first with content questions.

TA Emails: TBA

TA Office Hours: TBA

My Office: Brooks 440

My E-mail: marklaplante@terry.uga.edu, Do not use WebCT email to contact me, you will not get a response.

My Office Hours: Tuesdays and Thursdays 1:00 to 1:50 p.m., and also by appointment

My Telephone: 706-542-3656

Required Textbooks:

Cheol S. Eun and Bruce G. Resnick, *International Financial Management*, McGraw Hill Irwin, 4th edition, 2007.

Optional Materials:

Though not required, students are strongly encouraged to regularly read a business periodical, I recommend *The Wall Street Journal*.

Required Calculator: A financial calculator such as a TI BAII Plus or HP 10B. Programmable calculators are not allowed.

Evaluation: The course grade will be determined by four (including the final) equally weighted examinations. The exam dates will be set one week in advance and posted on the WebCT course calendar.

Final: Since many of the ideas we are going to cover build on one another the final will be cumulative.

9:30 Section: Thursday May 3rd 8 a.m. to 11 a.m.

11:00 Section: Tuesday May 8th noon to 3 p.m.

Policies Concerning Grades: (Fall 2006: 100+ emails and 40+ office visits) : Since all grades are determined competitively it is crucial to maintain a fair and level playing field. The following policies are designed and strictly enforced in order to insure that no one student has or gets an advantage over the other students against whom they are competing.

1. The target percentages for the letter grades are as follows:

A: 40 to 45%

B: 40 to 45%

C and below: 10 to 20%

2. There are no targets set for plus/minuses.

3. Following each exam I will post raw score and your cumulative percentile score. It is the cumulative percentile score that is used to calculate grades. It reflects your overall performance rank in the class. **It is the percentage of your peers who have performed better than you so far.** For example, if your percentile score is 11% it

means that 11% of the students have performed better than you have and 89% are doing the same or worse. The percentile score allows you to readily identify your approximate whole letter grade.

4. Your "peers" are defined as those students enrolled in the course across the two sections.
5. As students drop or withdraw your peers change, your relative performance may change and so may your grade. Do not ask me to speculate as to the impact drops will have on grades because I do not know.
6. Your grades are determined solely by your performance relative to your peers on the four exams.
7. All exam scores count in the percentages stated. No grades are dropped.
8. There are no make-ups ever.
9. There is no extra credit available. There is nothing extra you can do at any time to change your letter grade other than performing better on the remaining exams.
10. If you miss an exam due to a serious illness you must have written documentation from a physician. Since there are no make-ups additional weight will be put on the final.
11. Medical conditions without written documentation are irrelevant. No consideration will be given to a student who claims any illness without written documentation.
12. If you miss an exam for a University of Georgia sanctioned varsity athletic event for which I had prior knowledge additional weight will be put on the final.
13. If you have a sudden death in the family that may prevent you from attending an exam you must provide the following information to me:

1. Name of the deceased.
2. The state and town in which the deceased resided.
3. Your relation to the deceased.
4. The name, address, and phone number of the funeral home handling the final arrangements.
5. A copy of the obituary.
6. The phone number for a contact person listed in the obituary.

After verifying your information you will be assigned an excused absence for the exam and your final will be reweighted. If you fail to provide all of the information within one week of the exam date you will be assigned a zero for the exam. If the death prevents you from attending one of the final exam sessions you will be assigned an incomplete. You will complete the course by taking a three hour exam on Thursday August 16th, the first academic day of Fall 2007.

14. Once the exam dates and times are set they are set. If you know now that there will be a conflict you have two choices.
 - a. Drop the class.
 - b. Explain to me in person the nature of your conflict. If I agree that it warrants an excused absence from the exam I will reweight your final exam.
15. Once you take an exam the score will count for the full assigned percentage of your grade. After the fact claims of illness, sleep deprivation, conflicts with work, conflicts with sports, conflicts with family, and excuses of any sort will not be considered.
16. If you start an exam and have a sudden illness or emergency you will not be allowed to complete the remainder of the exam at a later date. Whatever score you get on the incomplete exam counts toward your final grade. Your final exam will not be reweighted should you be unable to complete a midterm.
17. Facts such as your scholarship status, timeline for graduating, participation in athletics, or any other particular facts of your life you think are important and bear special consideration with respect to grades are irrelevant. Your grade will be determined solely by your performance relative to your peers.

18. No special considerations with respect to grades are ever provided to any student ever.

19. Do not ask me what you will need to get on exam "X" to improve grade "Y" to grade "Z". This would require me to know in advance what your performance will be in the future relative to your peers. As I do not have a crystal ball I cannot answer these questions. All I can say is the following; if your overall performance relative to your peers improves your grade will stay the same or improve. If your overall performance relative to your peers falls your grade will stay the same or decline.

20. Plusses and minuses are not assigned until after the final exam. Do not contact me concerning what plus or minus grade you might have going into the final as I do not know.

21. Attendance is not considered in the calculation of grades.

Honor Code: All academic work must meet the standards contained in "A Culture of Honesty." All students are responsible to inform themselves about those standards before performing any academic work. All students are expected to abide by the University Honor Code as found in *A Culture of Honest*, which includes the following statement:

The University of Georgia seeks to promote and ensure academic honesty and personal integrity among students and other members of the University community. A policy on academic honesty (and procedural guidelines for adjudication of alleged violations of academic honesty) has been developed to serve these goals. Academic honesty means performing all academic work without plagiarizing, cheating, lying, tampering, stealing, receiving assistance from any other person or using any source of information that is not common knowledge (unless that assistance or use is authorized by the person responsible for supervising that academic work or fairly attributed to the source of assistance or information).

ANY violation will be reported to the Office of Academic Affairs.

Attendance: Attendance is not required for FINA 4810/6810. However, students are responsible for **all** material covered in class, and **all** changes that are made in course content during class. Students are expected to read the selected chapters **before** lecture.

Drops: Dates you should know:

Undergraduates: Thursday January 11th. Last day to drop the class without a "W"
Thursday March 1st. Last day to withdraw from the class with a "W" or "WF".

Graduates: Tuesday January 16th. Last day to drop the class without a "W"
Thursday March 1st. Last day to withdraw from the class with a "W" or "WF".

Academic Accommodations: If you would like to request academic accommodations due to a disability please contact The Disability Resource Center, 114 Clark Howell Hall, 706-542-8719 voice, 706-542-7719 fax, or 706-542-8778 tty. If you have a letter from Disability Services indicating you have a documented disability that requires academic accommodations, please present the letter to me in person as early as possible so we can discuss the accommodations you might need for class. **If we do not meet in person to go over the "blue" form two weeks prior to the exam you will not be assigned any accommodation come the exam.**

!!THE TOPICAL OUTLINE WHICH FOLLOWS IS TENTATIVE.
SEE THE WEBCT CALENDAR FOR DAILY UPDATES!!

I. Foundations of International Financial Management

Chapter 1: Globalization and the Multinational Firm

Chapter 2: International Monetary System

Chapter 4: Corporate Governance around the World
Mini-Case: Parmalat: Europe's Enron

II. The ForEx Market, Exchange Rate Determination, and Currency Derivatives

Chapter 5: The Market for Foreign Exchange
Mini-Case: Shrewsbury Herbal Products, Ltd.

Chapter 6: International Parity Relationships and Forecasting Foreign Exchange Rates
Mini-Case: Turkish Lira and Purchasing Power Parity

Chapter 7: Futures and Options on Foreign Exchange
Mini-Case: The Options Speculator

III. Foreign Exchange Exposure and Management

Chapter 8: Management of Transaction Exposure
Mini-Case: Chase Options, Inc.

Chapter 9: Management of Economic Exposure

IV. Financial Markets and Institutions

Chapter 11: International Banking and Money Market

Chapter 12: International Bond Market
Mini-Case: Sara Lee Corporation's Eurobonds

Chapter 13: International Equity Markets

Chapter 14: Interest Rate and Currency Swaps
Mini-Case: The Centralia Corporation's Currency Swap

V. Financial Management of the Multinational Firm

Chapter 16: Foreign Direct Investment and Cross-Border Acquisitions

Chapter 18: International Capital Budgeting
Mini-Case 1: Dorchester, Ltd.

Other topics to be determined.