



BUS 346E(a)(b) International Finance

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Office Hours: Wednesdays 12:00-12:30
(by previous appointment)

Course Information:

Spring 2017
(a) Monday and Wednesday
09:00-10:20
(b) Monday and Wednesday
10:30-11:50

Course Description

This course will explore the world of international finance including the dynamics of exchange rates, foreign investment, and how these affect international trade. It also includes the study of futures, options and currency swaps.

Course Goals and Methodology

The main purpose of this course is to introduce students to the complex world of International Finance.

The first part of this course is dedicated to the description and the functions of today's monetary systems, at both the international and European level. Before continuing, we will make a quick review of the main international stock markets which will be useful for your final project. Finally, we will analyze the different theories that attempt to explain the formation of conversion rates.

In the second part of the course we will analyze the foreign currency markets, not only the traditional spot and forward ones, but also the derivatives markets. Specifically, option and future contracts on foreign currency are described as well as some over the counter (OTC) products. In this second part, we will take a quick look at financial decision making as a financial manager in today's marketplace.

Learning Objectives

At the end of this course students will:

1. Develop knowledge of and ability to use the precise language of International Finance.
2. Develop knowledge of the institutions of international finance and use that knowledge to predict and assess the impacts and responses of governments, markets, and firms to various international situations.
3. Demonstrate knowledge and ability to use various theories to forecast currency future values and assess the pressure currency values are under.
4. Demonstrate their ability to analyze and evaluate both international financial borrowing and investment opportunities.
5. Extend their ability to do the mathematics of finance into the realm of international finance including the ability to evaluate hedging opportunities,

make and receive international payments, evaluate transactions in both dollar and foreign currency terms.

6. Refine each student's general business knowledge and extend their ability to confront new situations and propose solutions which can withstand critical examination into the area of international finance.

Required Texts

- EUN/RESNICK. International Financial Management. Sixth edition, McGraw Hill, 2014.

WEBS:

<http://campusvirtual.upo.es/> on-line platform. Main class material.

www.economist.com -analytical articles on world economic/political affairs

www.nyse.com - New York Stock Exchange

www.nasdaq.com - Nasdaq Stock Exchange

www.eurunion.org -EU guide for Americans

www.ft.com – Financial Times, international news, economy, corporate activities, shares

www.oecd.org - Organization for Economic Cooperation and Development

www.londonstockexchange.com - London Stock Exchange

www.imf.org - International Monetary Fund

www.nytimes.com - World news, critical editorials

www.worldbank.org - World Bank

www.stockex.co.uk - Stock Ex Financial Market News

www.tse.or.jp/english/ - Tokyo Stock Exchange

www.cia.gov/library/publications/the-world-factbook/- Central Intelligence Agency: The World Fact Book

www.forex.com - FOREX trading platform

General Course Policies

Please keep your cell phones on silent during class and avoid all use except for a calculator. Strictly no food to be consumed in class.

Course Requirements and Grading

Your final grade will be calculated according to the following:

Midterm Exam	20%
Final Exam	30%
Final Project	35%
In-class participation	15%

Attendance will be taken during the first 10-15 minutes of class and as part of your participation grade I recommend that you come prepared for in-class discussion and/or bring up to date lecture-related articles from magazines, newspapers or any other source that you wish to share with your classmates.

Midterm and Final Exam dates will not be changed under any circumstances.

Quizzes and other assignments like problem sets will be given to make sure that you are on track.

Final Project

There are three main topics to choose from:

- Developing countries: I will expect you to analyze the past, present and future of one of these countries. I would like you to analyze the developing country and share your opinion about its future in a global economy based on the results of your study.
- Fiscal paradises: I will expect you to analyze what they are, why they exist, how they work and who is using them. Some examples include the Cayman islands and Andorra.
- International Stock Markets: I will expect you to analyze and compare at least two international stock markets. The final objective is to study whether a correlation does or does not exist regarding the way the markets behave in time. If there is no relationship, your challenge will be to explain why.

We will discuss the project in more detail in class, but keep in mind the following deadlines:

02/8/2017: In-depth discussion about the final project.

02/15/2017: Last day to submit detailed project topic by email at ipatcad@acu.upo.es.

03/8/2017: Must submit rough draft/extended outline by email at ipatcad@acu.upo.es.

04/21/2017: Final paper must be submitted by 11:59 p.m. by email at ipatcad@acu.upo.es or Blackboard.

04/24, 04/26, and 05/08: Final Project Presentations.

FINAL PROJECT TOPICS:

1. Qatar	7. South Africa	13. Costa Rica
2. Saudi Arabia	8. Phillipines	14. Cuba
3. United Arab Emirates	9. Argentina	15. Uruguay
4. Egypt	10. Ecuador	16. Russia
5. Morocco	11. Nicaragua	
6. Guatemala	12. Nigeria	

Topic 1: Developing Countries**Topic 2: Fiscal Paradises/Tax Havens**

1. The Principality of Monaco	6. Malta	11. Bahamas
2. The Vatican	7. San Marino	12. Cayman Islands
3. Liechtenstein	8. Aruba	13. Switzerland
4. Andorra	9. Bermuda	14. Cook Islands
5. Cyprus	10. Gibraltar	15. Antigua and Barbados

Topic 3: International Stock Markets¹

1. NASDAQ	5. Spain	9. Brazil	13. Shangai Stock Exchange
2. NYSE	6. France	10. China	14. Bombay Stock Exchange
3. Tokyo Stock Exchange	7. Italy	11. Canada	15. Australia
4. London Stock Exchange	8. Germany	12. Hong Kong Exchanges and Clearing Limited	16. Russia

¹ Pick any combination of two, plus one representative index for each stock market. The following combinations are not allowed: NASDAQ vs. NYSE; NASDAQ vs. LSE; NYSE vs. LSE.

Attendance and Punctuality

Attendance is mandatory. More than 3 unexcused absences will result in the lowering of the final grade. Students with more than 2 such absences may not challenge the final grade received. Punctuality is required – tardiness will be penalised by 0.5 (over 15 mins) or 1 absence (over 30mins).

Academic Dishonesty

Academic integrity is a guiding principle for all academic activity at Pablo de Olavide University. Cheating on exams and plagiarism (which includes copying from the internet) are clear violations of academic honesty. A student is guilty of plagiarism when he or she presents another person's intellectual property as his or her own. The penalty for plagiarism and cheating is a failing grade for the assignment/exam and a failing grade for the course. Avoid plagiarism by citing sources properly (using footnotes or endnotes and a bibliography).

Students with Disabilities

If you have a disability that requires special academic accommodation, please speak to your professor within the first three (3) weeks of the semester in order to discuss any adjustments. It is the student's responsibility to provide the International Center with documentation confirming the disability and the accommodations required (if you have provided this to your study abroad organization, they have most likely informed the International Center already but please confirm).

Behavior Policy

Students are expected to show integrity and act in a professional and respectful manner at all times. A student's attitude in class may influence his/her participation grade. The professor has a right to ask a student to leave the classroom if the student is unruly or appears intoxicated. If a student is asked to leave the classroom, that day will count as an absence regardless of how long the student has been in class.

Class Schedule

- Chapter 1.** Globalization and the Multinational Firm.
David Ricardo's comparative advantages theory.
- Chapter 2.** The International Monetary System
- Chapter 3.** The Market for Foreign Exchange
- Chapter 4.** International Parity Relationships & Forecasting Foreign Exchange Rates.
Decisions and approach to Financial Management.
- Chapter 5.** Futures and Options on Foreign Exchange (Quick Approach)

DETAILED CALENDER:

MONDAY		WEDNESDAY	
		01/25/17	Presentation and Quiz
01/30/17	Quiz Review and Intro Chapter 1	02/01/17	Chapter 1
02/06/2017	David Ricardo, Ch 1 Appendix	02/08/17	In-depth Final Project Explanation
02/13/17	Chapter 2	02/15/17	Chapter 2 and Main International Crisis
02/20/17	Chapter 2 + Chapter 3	02/22/17	Chapter 3
02/27/17	HOLIDAY	03/01/17	Chapter 3 problems
03/06/17	Chapter 3 problems	03/08/17	Chapter 3 problems
03/13/17	Midterm Exam Review	03/15/17	MIDTERM (Ch. 1-3)
03/20/17	Review Midterm	03/22/17	Chapter 4
03/27/17	Chapter 4 problems	03/29/17	Chapter 4 problems
04/03/17	Chapter 4 problems	04/05/17	Chapter 4 problems
04/10/17	SPRING BREAK	04/12/17	SPRING BREAK
04/17/17	Intro Chapter 5	04/19/17	Chapter 5 + Summary
04/24/17	Project Presentations	04/26/17	Project Presentations
05/01/17	HOLIDAY	05/03/17	HOLIDAY
05/08/17	Project Presentations	05/10/17	Final Exam Review (Ch. 4-5)

DIA DE ANDALUCIA: 02/27**SPRING BREAK: 04/10-04/14****FERIA DE ABRIL: 05/01-05/05****FINAL EXAM PERIOD: 05/15-05/19 FINAL EXAM DATE TBD**