# FIN 4604 – RVE INTERNATIONAL FINANCIAL MANAGEMENT Fall 2020

**Fully Online Section: Aug 24, 2020 – Dec 5, 2020**

## GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Instructor:</th>
<th>Dr. Julia Chou</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone:</td>
<td>(305) 348-0533</td>
</tr>
<tr>
<td>Office:</td>
<td>RB 237A (MM Campus)</td>
</tr>
<tr>
<td>Fax:</td>
<td>(305) 348-4245</td>
</tr>
<tr>
<td>Office Hours:</td>
<td>By Appointment</td>
</tr>
<tr>
<td>E-mail:</td>
<td>Please use Canvas Course Mail, 48 hour response time (Excluding weekends)</td>
</tr>
</tbody>
</table>

## COURSE DESCRIPTION AND PURPOSE

“International Financial Management” aims to extend the key concepts from the fields of corporate finance and investments into an international environment. Recently, firms are looking increasingly to trade internationally in order to exploit profitable market opportunities and benefit from a growth in market share and economies of scale. As trade barriers are broken and infrastructure improves, there are even more opportunities for firms to expand in this way. The course provides the knowledge, skills and attitudes required for the financial management of Multinational enterprises (MNEs), Multinational corporations (MNCs) or Transnational companies (TNCs) that operate in the international (global) business marketplace.

Emphasizing broad concepts and real world practices rather than extensive quantitative material, the course offers a concise introduction to international finance and provides a clear conceptual framework for analyzing key financial decisions in multinational firms. The approach in the course is to treat international financial management as a natural and logical extension of the principles learned in the introductory financial management (FIN 3403) course. Thus, it builds on and extends these principles to account for the dimensions that are unique to international finance. The course focuses on decision making in a global context. 

*This is a global learning course that counts towards your global learning graduation requirement.*

## COURSE STUDENT LEARNING OUTCOMES

After completing this course students will be able to:

- Describe the globalization process and the rational for the existence of multinational firms.
- Elaborate on the goal of corporate governance and the various parties that monitor the actions and behaviors of corporations.
- Describe the international monetary system, foreign exchange regimes and markets.
Describe the Balance of Payments (BOP) and its international economic linkages.

Discuss the ways a company may access funds in the global equity and debt markets.

Explain the risks unique to the international operations of a company, identify derivative instruments and strategies used by multinational corporations to hedge financial risks and manage exposure.

Identify alternate modes of international expansion and issues associated with international working capital management.

Distinguish among the various different types of financial institutions presence in global markets.

Identify the processes and instruments used in the financing of imports.

### MAJOR & CURRICULUM STUDENT LEARNING OUTCOMES TARGETED

Students will be able to:

- Exhibit knowledge of the major cultural, economic, social and legal environments faced by organizations in global markets (Global Awareness)*
- Develop strategies for the challenges of doing business in a global environment (Global Perspective)*
- Demonstrate appropriate responses to global conditions and cultural diversity (Global Engagement)*
- Assess the needs of and justify the advantages accruing from expanding into international markets (Global Awareness, Perspective & Engagement)*
- Explore the international integration of financial markets and analyze implications for financial managers
- Demonstrate knowledge of the basics of international finance that are deemed necessary to conduct financial transactions in today’s global economy, including development and current status of international monetary system, foreign exchange exposure, global parity conditions, forecasting FOREX, global capital budgeting, global cost of capital, and exports and/imports
- Apply critical thinking skills in identifying international financial issues and evaluating information
- Use quantitative tools to evaluate business problems
- Use information technology as a tool to do essential business tasks

* Global Learning Outcomes

### TEXTBOOK

*Fundamentals of Multinational Finance*, 5th Edition
Michael H. Moffett, Arthur I. Stonehill, David K. Eiteman
Pearson Prentice Hall

ISBN-10: 0205989756
**Recommended Readings**: It is highly recommended that you read at least one of the leading international newspapers (The Wall Street Journal, The Financial Times) or periodicals (The Economist).

**COURSE PREREQUISITES**

A grade of C or higher in FIN 3403 or equivalent.

For more information about prerequisites, click here or check http://cbasys.fiu.edu/advising/prerequisites/prerequisites1.cfm.

**TEACHING METHODOLOGY**

Course delivery will focus on ensuring that students are able to:

- Learn how to apply appropriate critical thinking and analytical problem-solving techniques to business problems arising from operations in a global environment
- Present the data and analysis of a case study in a logical and concise manner
- Address a current international financial issue. This discussion would enhance specialized knowledge in a current or emerging area of student interest
- Interact with other students and the instructor to demonstrate functional skills, foundational knowledge and application of the theory and benefit from student diversity and multiple perspectives
- Learn how to perform web based research.

**COMMUNICATING WITH THE INSTRUCTOR**

Communication in this course will take place via Canvas course mail.

The message feature is a private, internal Canvas only communication system. Users must log on to the Canvas system to send/receive/read messages. It is recommended that students check their messages routinely to ensure up-to-date communication.

Please communicate with the Professor within Canvas. For personal issues use the “Inbox” tab. Professor response will be within 24-48 hours.

Discussion Forum: It will be used for class discussions and other postings of general interest that are directly related to the course. Everyone can read Discussion Forum postings; therefore, do not post private information.

**PANTHERS PROTECTING PANTHERS (P3)**

At the core of the FIU repopulation plan is the health and welfare of our students, our employees and all of those who step foot on our campus. These are the goals of the Panthers Protecting Panthers (P3) program. Every student participating in any FIU Business in-person class does so with the implicit agreement that they fully comply with the guidelines of P3, taking personal responsibility for protecting themselves and others in the community.
Professors will not be responsible for enforcing social distancing or face covering policies, and they will maintain the right to ask a non-compliant student to leave a particular class and report the non-compliant behavior to the Office of Student Conduct. Faculty also have the right to end a class session any time they feel unsafe due to students not following established classroom health and safety protocols.

We appreciate your partnership in keeping a safe learning and teaching environment for all.

**DISABILITY NOTICE**

If you have a disability and need assistance, please contact the Disability Resource Center (University Park: GC190; 305-348-3532) (North Campus: WUC139, 305-919-5345). Upon contact, the Disability Resource Center will review your request and contact your professors or other personnel to make arrangements for appropriate modification and/or assistance.

**RELIGIOUS HOLIDAYS**

The University’s policy on religious holidays as stated in the University Catalog and Student Handbook will be followed in this class. Any student may request to be excused from class to observe a religious holy day of his or her faith.

**ASSURANCE OF LEARNING**

The College of Business cares about the quality of your education. Please read about the College’s commitment to [Assurance of Learning](#).

**TECHNICAL REQUIREMENTS & SKILLS**

One of the greatest barriers to taking an online course is a lack of basic computer literacy. By computer literacy we mean being able to manage and organize computer files efficiently, and learning to use your computer’s operating system and software quickly and easily. Keep in mind that this is not a computer literacy course; but students enrolled in online courses are expected to have moderate proficiency using a computer. Please go to the “[What’s Required](#)” webpage to find out more information on this subject.

Please visit the “[Technical Requirements](#)” webpage for additional information.

**RULES, POLICIES, AND ACADEMIC MISCONDUCT**

Assignments from the text and other resources are listed below for each class session. Students are expected to pace their learning according to the posted course assignments.

It is expected that interactive learning and teaching will enrich the learning experience of all students, and that each student will work in partnership with the professor to create a positive learning experience for all. Student engagement is a necessary condition for an effective learning experience, and includes
contributions to debate and discussion (if any), positive interactive learning with others, and an 
enthusiastic attitude towards inquiry. Everyone is expected to be a positive contributor to the class 
learning community, and students are expected to share the responsibility of teaching each other.

Statement of Understanding between Professor and Student

Every student must respect the right of all to have an equitable opportunity to learn and honestly 
demonstrate the quality of their learning. Therefore, all students must adhere to a standard of academic 
conduct, demonstrating respect for themselves, their fellow students, and the educational mission of the 
University. As a student in the College of Business taking this class:

- I will not represent someone else’s work as my own
- I will not cheat, nor will I aid in another's cheating
- I will be honest in my academic endeavors
- I understand that if I am found responsible for academic misconduct, I will be subject to the academic misconduct procedures and sanctions as outlined in the Student Handbook.

Failure to adhere to the guidelines stated above may result in one of the following:

**Expulsion:** Permanent separation of the student from the University, preventing readmission to the institution. This sanction shall be recorded on the student's transcript.

**Suspension:** Temporary separation of the student from the University for a specific period of time.

By taking this course I promise to adhere to FIU’s Student Code of Academic Integrity. For details on the policy and procedure go to ACADEMIC MISCONDUCT. (Section 2.44)

**NOTE:** Intensive Auditing of the course will be conducted to prevent academic misconduct.

**EXAM POLICY:** You must take each exam at the date and time announced in class. Failure to do so will result in zero credit for that exam. This includes the final exam. Any deviation from this policy because of illness or emergency must be cleared in advance and properly documented.

**EXPECTATIONS OF THIS COURSE**

As a student you have made a commitment to improve your knowledge, skills and values in an effort to 
improve your circumstances. As such you are expected to be engaged throughout the course and not 
merely intermittently. You are expected to build the basic rudiments of global finance in this course. 
Though the emphasis is mostly on practical applications and on today’s know how in the global financial 
arena, some introductory theoretical concepts that form the nuclei of the main topics in the field are also 
to be mastered.

Students also need to note:

1. **Grade Determination**
   Your final grade is determined by the grading components listed below. In addition, the final grade in this 
course once assigned will not be changed except in the event of a grading error.

2. **Absence from Examination**
   Absence from examination will only be granted to you if you can provide official documentation of 
illness or personal emergency. You are responsible for informing me as soon as possible (and preferably 
in advance) regarding a missed examination. Otherwise, you will receive a score of zero for missing 
examinations.
3. Class Participation
Students are expected to log in at least twice a week to document ‘attendance’, participate in the discussions, view announcements, and prepare for chapter quizzes. Student interaction is an important part of Active Learning and it is encouraged. Students who attempt to help by responding to other students’ questions on class material especially by attempting to clarify unclear course material are also highly encouraged. This is a fully online course, meaning that all course work (100%) will be conducted online. Expectations for performance in fully online courses are the same as for traditional courses; in fact, fully online courses require a degree of self-motivation, self-discipline, and technology skills that can make them more demanding for some students.

4. Discussion
It is important to keep up with the readings and the discussion forum on a weekly basis. You should not use this forum for any personal reasons. It is advisable that you read ALL postings from the Professor since if the Professor answers a student’s question in the Discussion forum, she will not repeat the answer if you ask it again. Student participation in discussions is strongly encouraged.

GRADING POLICY

COURSE REQUIREMENTS AND ASSESSMENT WEIGHTS

<table>
<thead>
<tr>
<th>COURSE REQUIREMENTS</th>
<th>WEIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm Exam I</td>
<td>20%</td>
</tr>
<tr>
<td>Midterm Exam II</td>
<td>20%</td>
</tr>
<tr>
<td>Midterm Exam III</td>
<td>20%</td>
</tr>
<tr>
<td>Syllabus Quiz</td>
<td>3%</td>
</tr>
<tr>
<td>5 Discussion Topics (evaluated for critical thinking and written communication skills)</td>
<td>20%</td>
</tr>
<tr>
<td>Case Study (evaluated with a rubric)</td>
<td>17%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

LETTER GRADE POLICY

<table>
<thead>
<tr>
<th>LETTER GRADE</th>
<th>RANGE</th>
<th>LETTER GRADE</th>
<th>RANGE</th>
<th>LETTER GRADE</th>
<th>RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>95 - 100</td>
<td>B</td>
<td>84 - 86</td>
<td>C</td>
<td>70 - 76</td>
</tr>
<tr>
<td>A-</td>
<td>90 - 94</td>
<td>B-</td>
<td>80 - 83</td>
<td>D</td>
<td>60 - 69</td>
</tr>
<tr>
<td>B+</td>
<td>87 - 89</td>
<td>C+</td>
<td>77 - 79</td>
<td>F</td>
<td>&lt; 60</td>
</tr>
</tbody>
</table>
ASSESSMENTS

MIDTERM EXAMS

There are three midterms each associated with the various modules of the course. While the material is not cumulative, it is important to retain the knowledge and skills built throughout the course.

Exam dates are listed in the Course Calendar section of your syllabus. Once you complete the Exam, you will know the score of your exam immediately.

- Exams contain 60 multiple choice questions from the Chapters specified in each module.
- You will have 1 hour and 25 minutes to complete each Exam.
- You have only 1 attempt to complete the Exam during the specified time period.
- **NOTE AVAILABLE EXAM DATES CAREFULLY AND DO NOT WAIT UNTIL THE LAST MINUTE, REMEMBER MURPHY’S LAW... FIU ONLINE SUPPORT MAY NOT BE ABLE TO HELP IF YOU RUN INTO PROBLEMS ON THE LAST DAY.**

QUIZZES

The syllabus quiz contains 10 questions that test your knowledge about the content on this syllabus. You will have 20 minutes to complete the quiz and multiple attempts (you can take it as many times as you want during the availability period).

Chapter quizzes are available as a resource to assist the students in understanding how questions may be framed in the actual midterm exams. It is highly advised that you do them during the weeks assigned. Feel free to collaborate in groups on quizzes, however, it is expected that you work individually on the midterm exams.

- Quizzes contain 15 questions from the chapter (both multiple choice and true and false questions)
- You will have 15 minutes to complete the quizzes
- You have 2 attempts to complete the quiz for each chapter - though you will get different questions each time you take the quiz
- Once you complete a quiz, you will be able to see your submitted answers as well as the correct answer for each question

While the Chapter quizzes are not for credit they will be an invaluable resource for the Exams. I will NOT reopen these once the availability period has passed and they have closed; this is because once reopened for a few students, the students who followed directions will not have access to them. You are welcome to share quiz resources with your classmates.

To find the dates for ALL assessments including quizzes, review the Assessment Due Dates document in your Course Homepage. If you miss the quizzes, you will have to read the Chapter content much more closely and take extensive notes.

DISCUSSION TOPICS
Guidelines for assigned Discussion Topics:

- You must respond to the question posed in response to these topics by responding to that thread whenever required.
- There will be five of these discussion questions posed over the course of the semester.
- **You must respond to them within the allotted time period** for the assigned grade (due dates for these are listed in your course calendar section of this syllabus).
- Discussion Topics will be in the **Discussion Forum**.
- You should sign into the course on a weekly basis (much like class attendance) to check for any discussions.

You should not use these Topic forums for any personal reasons. Review the closing dates of these deliverables closely, as they will not be accepted for credit beyond the dates posted on the discussion forum. Other important material is communicated on the “Open Forum” within the Discussion Board. It is advisable that you read ALL postings from the Professor since if the Professor answers a student’s question in the Discussion forum she will not repeat the answer if you ask it again. Student participation in discussions after a topic expires is appreciated but will not contribute to the grade.

**CASE STUDY**

The research paper requirements:

- This is due as an attachment in the Assignment Dropbox area of the course. See the course calendar for the due date.
- Resources and materials for the Case Study can be found in the main Course Content area of your course, under a folder called “Case Study Resources”.
- The case study requires students to explore various international financial management issues through an analysis of the activities of a multinational corporation. This deliverable provides an opportunity for students to apply their knowledge of foreign currency risk management techniques and strategies, international capital markets, and sources of financing of the multinational firm, political risk, foreign investment decision making, and international capital budgeting techniques. Students will also develop the skills to collect, evaluate data, conduct a multi-perspective analysis of the evidence to make logical decisions, engage in global problem solving and communicate his/her beliefs clearly and accurately.
- Students will need to read “Case Study Instructions and Guidelines” and submit answers to assigned questions. The rubric in Appendix B will be used to assess your Assignment. Feel free to discuss this case in groups so that you can get the perspective of others, but the deliverable is an individual one and it is expected that your own work is submitted (Resources and Appendices can be found in the “Case Study Resources” Folder).
- Please note that we are very concerned about Academic Integrity in this online course and as a result your assignment will be assessed by Turnitin.com. Once you submit your assignment it is automatically submitted to this site which checks for plagiarism. To verify what constitutes plagiarism please review this site: http://business.fiu.edu/current_undergraduate/academic-conduct.cfm

**CLASS AGENDA**

The class agenda is as follows:
Use the Power Point slides as notes that supplement your required textbook reading.

- Use the quizzes to help you prepare in a timely manner for the Midterm Exams.
- You should also check into the course for any emails or discussion at least twice per week so that you will become aware of any developments. You should try to cover the readings for each session at the beginning of the week so that you can attempt the quizzes at the end.
- Sign into your course on a weekly basis. Not doing this is similar to missing class and can lead to you missing important course activities. Keep up with the weekly schedule.

**COURSE CALENDAR**

*August 24th – September 20th*

**Module I**

**CHAPTERS COVERED:**

- Chapter 1. Multinational Financial Management: Opportunities and Challenges
- Chapter 2. The International Monetary System
- Chapter 3. The Balance of Payments
- Chapter 4. Financial Goals and Corporate Governance
- Special Topic: Current Multinational Financial Challenges

**SUPPORTS LEARNING OBJECTIVES:**

- Describe the globalization process and the rationale for the existence of multinational firms
- Elaborate on the goal of corporate governance and the various parties that monitor the actions and behaviors of corporations
- Describe the Balance of Payments (BOP) and its international economic linkages
- Discuss the ways a company may access funds in the global equity and debt markets
- Exhibit knowledge of the major cultural, economic, social and legal environments faced by organizations in global markets (Global Awareness)*
- Explore the international integration of financial markets and analyze implications for financial managers

**TASKS:**

- Print and read the course syllabus and course calendar. If you begin this class on DAY 1, use the opportunity to read ahead.
- Complete **Syllabus Quiz** by September 4th at 11:59 pm (You will not receive the 3% assigned credit after this due date.)
- Post to **Discussion Topic 1** Forum by: September 8th at 11:59 pm
- Complete **Chapter Quizzes** (even though they are not for credit) by dates specified in the Assessment Due Dates document under your course home page
- Complete **Midterm Exam I** - Available September 17th at 8:00 am until September 20th at 11:59 pm
September 21st – October 25th

Module II

CHAPTERS COVERED:

- Chapter 5. The Foreign Exchange Market
- Chapter 6. International Parity Conditions
- Chapter 7. Foreign Currency Derivatives and Swaps
- Chapter 8. Foreign Exchange Rate Determination

SUPPORTS LEARNING OBJECTIVES:

- Explain the risks unique to the international operations of a company, identify derivative instruments and strategies used by multinational corporations to hedge financial risks and manage exposure
- Identify alternate modes of international expansion and issues associated with international working capital management
- Distinguish among the various different types of financial institutions present in global markets
- Identify the processes and instruments used in the financing of imports
- Demonstrate knowledge of the basics of international finance that are deemed necessary to conduct financial transactions in today’s global economy, including development and current status of international monetary system

TASKS:

- Post to Discussion Topic 2 Forum by: September 28th at 11:59 pm
- Post to Discussion Topic 3 Forum by: October 12th at 11:59 pm
- Complete Chapter Quizzes (even though they are not for credit) by dates specified in the Assessment Due Dates document under your course homepage
- Complete Midterm Exam II - Available October 22nd at 8:00 am until October 25th at 11:59pm

October 26th – December 12th

Module III

CHAPTERS COVERED:

- Chapter 9. Transaction Exposure
- Chapter 10. Translation Exposure
- Chapter 11. Operating Exposure
- Chapter 12. Global Cost and Availability of Capital
- Chapter 16. Foreign Direct Investment and Political Risk
- Chapter 17. Multinational Capital Budgeting and Cross-Border Acquisitions

SUPPORTS LEARNING OBJECTIVES:
• Measure and manage foreign exchange exposure, explain global parity conditions, global capital budgeting, global cost of capital, exports and imports, and forecast FOREX
• Develop strategies for the challenges of doing business in a global environment (Global Perspective)*
• Demonstrate appropriate responses to global conditions and cultural diversity (Global Engagement)*
• Assess the needs of and justify the advantages accruing from expanding into international markets (Global Awareness, Perspective & Engagement)*
• Apply critical thinking skills in identifying international financial issues and evaluating information
• Use quantitative tools to evaluate business problems
• Use information technology as a tool to do essential business tasks including searching for relevant information, analyzing data and making presentations

TASKS:

• Post to Discussion Topic 4 Forum by: November 2nd at 11:59 pm
• Post to Discussion Topic 5 Forum by: November 16th at 11:59 pm
• Turn in Case Study by November 30th at 11:59 pm to the Assignment Dropbox located under “Assignments” tab
• Complete Chapter Quizzes (even though they are not for credit) by dates specified in the Assessment Due Dates document under your course home page
• Complete Midterm Exam III - Available December 7th at 8:00 am until December 10th at 11:59 pm

ADDITIONAL INFORMATION

Occasionally circumstances may force moderate changes in the information presented on the syllabus. Consequently it is VITAL that you keep yourself aware of changes by reading ALL postings from the Professor. In an Online class not reading a Professor’s postings is akin to not attending class for which the appropriate penalty in class participation will affect your final grade. FIU and The College of Business Administration take the issue of Academic Misconduct very seriously. University policy suggests professors require students to come on Campus to be proctored for at least one assessment. Therefore the Professor/Online Support Staff reserves the right to require proctored assessment on an individual basis even if it is not described in the syllabus. In these cases if a student lives in the tri-county area of Broward, Dade or Monroe counties they will be required to physically come on Campus, otherwise they will be required to attend a University approved testing center at the student’s expense.