

**ASSUMPTION UNIVERSITY  
MARTIN DE TOURS SCHOOL OF MANAGEMENT  
DEPARTMENT OF FINANCE AND BANKING  
COURSE OUTLINE 1/2010  
(Evening Program)**

<b>COURSE TITLE:</b>	<b>FIN4812 International Finance</b>
<b>PREREQUISITE:</b>	<i>FIN 3701 Corporate Finance and 106 credits</i>
<b>LECTURER:</b>	Dr. Chayakrit A. [chayakrita@gmail.com] Material Download at <a href="http://groups.google.com/group/fin4812-2010-1">http://groups.google.com/group/fin4812-2010-1</a>
<b>COURSE DESCRIPTIONS:</b>	The course offers an understanding of the international financial environment and financial management by multinational corporations. It focuses on exchange rate determinations, measurement and management of exchange rate risk, investment, funding and capital structure decision of multinational corporations.
<b>COURSE OBJECTIVES:</b>	The objectives of this course are as follows: <ol style="list-style-type: none"> <li>1. To enable the student to integrate the international dimension of finance and economics into practices.</li> <li>2. To assess the opportunities in the international business through the mean of financial perspectives.</li> <li>3. To provide student with ability to plan and manage using various tools of finance under dynamic situations of the world economics. To develop a more effective strategy (ies) and practice(s) for lower the degree of financial risk incurred from international business.</li> </ol>

**MARKS ALLOCATION\* (\* See also course requirements and classroom policies)**

Quiz I, II (7.5% each)	15%
Assignment, Participation & Presentation	15%
Midterm Examination	30%
Comprehensive Final Examination	<u>40%</u>
Total	100%

**REQUIRED TEXT**

Madura, Jeff.(2008). *International Corporate Finance*, 9<sup>th</sup> ed., US: South-Western College Company.

**REQUIRED READINGS**

Students are required to update themselves with the current world economic, business and financial situation. The suggested reading materials are in *the Business and Financial Newspapers* as the Asian Wall Street Journal, The Bangkok Post, The Nations and others, and *the Business and Financial Journals* such as The Fortune, The Business Week, The Economist, The Far Eastern Economic Review and others.

**SUGGESTED READINGS**

1. Eiteman, David K., et al. *Multinational Business Finance*, 7<sup>th</sup> ed., US: Addison Wesley, 1995.
2. Levi, Muarice D. *International Finance*, 3<sup>rd</sup> ed., US: McGrawHill.
3. Samuels, John M., et al. *Financial Management and Decision Making*, UK: ITP, 1998.

**SCHEDULE FOR QUIZZES AND EXAMS**

- **Quiz I:** July 4, 2010 Time: 17:00 – 18:00, Huamak Campus
- **Quiz II:** September 5, 2010 Time: 17:00 – 18:00, Huamak Campus
- **Midterm:** July 29, 2010 Time: 18:00 – 20:00, Huamak Campus
- **Final:** September 28, 2010 Time: 18:00 – 21:00, Huamak Campus

**COURSE SCHEDULE**

Week	Chapter	and Topic
<b>Part I: The International Financial Environment</b>		
1	1	Multinational Financial Management: An Overview
	2	International Flow of Funds
2	3	International Financial Markets
3	4	Exchange Rate Determination and Quotations
4	5	Currency Derivatives: Forward and Future Contracts
5	5	Currency Derivatives: Option Contracts
<b>Part II: Exchange Rate Behavior</b>		
6	6	Government Influence on Exchange Rate
7	7	International Arbitrages and Interest Rate Parity
8	8	Relationship between Inflation, Interest Rates, and Exchange Rates
<b>Midterm Examination (30%)</b>		
<b>Part III: Exchange Rate Risk Management</b>		
9	9	Forecasting Exchange Rates
10	10	Measuring Exposure to Exchange Rate Fluctuations
11	11	Managing Transaction Exposure
12	11	Alternative hedging decision for the currency risk
13	12	Managing Economic Exposure and Translation Exposure
<b>Part IV: Long-Term Asset and Liability Management</b>		
14	14	Multinational Capital Budgeting
14	17	Multinational Cost of Capital and Capital Structure
15	18	Long Term Financing
<b>All Chapter Comprehensive Final Examination (40%)</b>		

**COURSE REQUIREMENTS****INDIVIDUAL ASSIGNMENTS, PRESENTATIONS AND PARTICIPATION(15%)**

Throughout the semester, individual work on assignments, series of presentations and individual participation in class (3%), is need. The details of the assignments are as followed.

**Assignment 1:** “*The Foreign Exchange System and its impact*” (6%)

**Description:** Student is required to select one country\* and study the exchange rate system that country adopted. Then, students are required to analyze the effects of such system adopted in terms of benefits the government and the country might expect and other trade-off. The analysis must perform systematically with citations and references.

**Word limits:** 3,000 words (from your analysis part, not including citations, references and appendix).

**Due date:** Week of July 12, 2010 (Submission in corresponding section date)

**Assignment 2:** “*The study of Factors Affect Exchange Rate*” (6%)

Using the same country as “*Assignment 1*”, students are required to collect information and analyze the factors that have an impact on such country exchange rate using the information “only” 2008-2009 or more updated. Student must describe

- The period and unit of data apply in this assignment
- The technique(s)/ method(s) of analysis using in this assignment
- The conclusion of this assignment

**Due date:** Week of August 30, 2010 (Submission in corresponding section date)

**Country(\*):** Each section is required to choose the country according to the following country group:

<b>401: South-East Asian nations</b>	<b>402: Latin America (exclude Brazil)</b>
<b>403: BRIC countries (Brazil, Russia, India and China)</b>	<b>404: Eastern Europe nations</b>
<b>405: South Africa nations</b>	<b>901: G-7 nations</b>

## **EVALUATION OF STUDENT PERFORMANCE**

Student case analysis and presentation skills, if time allowed, will be evaluated objectively based on specific scoring criteria as follows

- a. **Content:** ideas (novelty, clarity), value of content, logic/reasoning, justification
- b. **Method of the study:** the appropriate technique relevant to the topic
- c. **References:** the appropriate review of related work on the topic study
- d. **Presentation style:** personal appearance (posture, expression), speaking (articulation, projection), energy, interest, audience contact
- e. **Organization:** opening and concluding remarks, flow of ideas, teamwork
- f. **Mechanics:** grammar, gestures, pace of speech
- g. **Use of media:** linking media with speaking, linking media with other media (if applicable), knowledgeable handling of media, general appearance of media materials (legibility, layout)

## **CLASSROOM POLICIES**

- **Students need to comply with AU Dress Code, Time Conflict Examination Regulations, Laws on Smoking Cigarette, and Restrictions on Foods and Drinks V10.1, June 2010.**
- **Attendance policies:**
  - [2 times of ten-minute late for class considered as 1 absence.](#)
  - Make-up classes are not allowed.
  - 80% attendance is strictly required regardless of any reason.
  - No checking attendance for other classmates. Violation of the policies will result in being automatically withdrawn from the class.
  - [Attendance is counted since the first day of class regardless of any reason.](#)
- **Manner in class:**
  - Behave in a polite manner
  - Pay respect to instructors and class participants
  - Turn off all communication devices
  - Do not leave and re-enter the classroom
  - Prohibited manners: Eating, drinking, chatting, talking on the phone, text-messaging, sleeping, reading other materials, doing other subjects' assignments/homework, walking in-out, etc.
  - [Improper behavior will result in no attendance checked.](#)
- **Dress code:**
  - Follow AU dress code
  - [Improper dress code will result in no attendance checked.](#)
- **Class assignments (Homework, reports, project, presentation, paper, etc.):**
  - [No Plagiarism.](#)
  - The students copying works from all sources will be penalized – “Zero” marks or “F” grade.
  - Hand in all class assignment on time, both soft copy and hard copy.
  - [Late submission will NOT be graded.](#)
- **Class participation:**
  - Be participative and attentive in class
  - The students are also required to comply with all classroom policies.
  - Violation of the classroom policies will result in [“zero” or “negative” participation marks and/or no attendance checked.](#)
- **Request for make-up quizzes (if applicable):**
  - The students requesting for the make-up quizzes need to submit their names with valid evidence (ABAC related issues only) to the respective lecturer within the specified dates.
  - [Late submission will NOT be allowed to take the make-up quizzes.](#)
- **Grade inquiry:**
  - The students can request for a review for their marks or grades.
  - The students need to submit petition to the respective Chairperson at D6 or MSM2 [within 2 weeks](#) after their marks or grades have been officially announced. Petition submitted after the specified period will NOT be considered.
  - **Reevaluation process:** The students' class assignments or exam answer scripts will be reevaluated by the internal committees assigned by the respective department. Please note that the students' marks may or may not be adjusted after the reevaluation process and it is considered as a “final consensus” between the students and the committees.

**August 27, 2010 (Friday) : Last day to withdraw with “W”  
(Withdrawing after this date, the students need a chairperson’s approval.)**