

**ASSUMPTION UNIVERSITY**  
**MARTIN DE TOURS SCHOOL OF MANAGEMENT AND ECONOMICS**  
**DEPARTMENT OF FINANCE AND BANKING**  
**COURSE OUTLINE 2/2011 (Evening Program Only)**

<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 To be announced
<b>COURSE DESCRIPTIONS:</b>	The course introduces students to the international financial environment and focus on the managerial aspects of international financial management from the MNC perspective. The course provides students background knowledge of the international financial markets and foreign exchange markets. It focuses on the policies and strategies MNCs adopt in assessing, planning and managing their foreign exchange risk exposures, international financing and investment decisions.
<b>COURSE OBJECTIVES:</b>	The objectives of this course are as follows: 1. To enable the student to integrate the international dimension of finance and economics into practices. 2. To describe the international financial environment, markets and instruments and its role in MNCs financial decision making. 3. To provide student with necessary quantitative and analytical skills to make financial and investment decisions in an international environment. 4. To develop a more effective strategy (ies) and practice(s) for managing the financial/ foreign exchange risk exposure in the international business.

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>Mid-Term exam (35%) January 23, 2012 (18:00-20:00)</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 Chapters Comprehensive Final examination (40%) March 28, 2012 (18:00-21:00)</b>	

**REQUIRED TEXT**

- Madura, Jeff.(2010). *International Corporate Finance*, 10<sup>th</sup> ed., US: South-Western: CENGAGE Learning.

**REQUIRED READINGS** Students require to update yourselves with the current world economic, business and financial situation. The suggest 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* 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*, 12<sup>th</sup> ed., US: Addison Wesley, 2009.
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.

## REQUIREMENT/MARKS ALLOCATION\* (\*See also classroom policies)

Quiz I& II	15%
Assignment, Participation & Presentation	10%
Midterm Examination	35%
Comprehensive Final Examination	<u>40%</u>
Total	100%

**Quiz I: HUAMAK CAMPUS: January 7, 2012 (SAT), 17:30 – 18:30**

**Quiz II: HUAMAK CAMPUS: March 10, 2012 (SAT), 17:30 – 18:30**

## ASSIGNMENTS AND PARTICIPATION(10%)

Assignments (5%) will be announced in the class during the semester. While the participation (5%) is the individual effort through out the semester with active and effort in each of the class attend.

## 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 is 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 manner:** 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) to the respective lecturer within the specified dates.
  - Failure to do so, the students 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 CL27 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.

**February 27, 2012: Last day to withdraw with “W” (Withdrawing after this date, the students need a chairperson’s approval.)**