

**FIN 464/BA 582: International Finance
Fall Semester 2015**

Dr. Xiaoxin Wang Beardsley
Office Phone: 618-453-1422
Email: xwang@business.siu.edu

Class meetings: Rehn 326, Tuesday and Thursday, 11:00 AM – 12:15 PM

Office Hours: Rehn 128A, Tuesday and Thursday 12:30 PM – 2:00 PM and by appointment

Website: New lecture notes will be posted on D2L in advance of each class; Important announcements will also be posted; Make sure you check D2L frequently (at least every other day) so as not to miss any announcements or lecture notes.

Textbook: *Multinational Business Finance* (13th edition) by Eiteman, Stonehill and Moffett.

Course Objectives

To examine decision-making in International Finance via a broad study of the opportunities and problems encountered when investments and business operations span national boundaries. Emphasis will be placed on the use of international financial markets to control risk and enhance portfolio performance. Specific topics include international monetary system, balance of payments, foreign exchange markets, international parity conditions, foreign exchange rate exposures and hedging, and international portfolio theory and diversification.

Grading:

Your final grade will be based on the following weights:

Exam 1	15%
Exam 2	25%
Exam 3	25%
Bloomberg Homework 1	7.5%
Bloomberg Homework 2	7.5%
Bloomberg and Excel Project	15%
Attendance	5%
Bonus	up to 3%

Students enrolled in BA 582 will have additional questions on the exams, homework and/or project.

Exams

There will be three exams. Exams will cover issues addressed in class, no matter whether they are in the textbook or not. This is not a course you can get a decent grade simply by reading the book on your own and showing up on exam dates. Exams are close-book (no formula sheet is allowed), not cumulative, but later exams may inevitably touch the material covered earlier.

Attendance

I expect you to attend all classes. Attendance makes up 5% of your grade (5 points out of 100). Each absence without valid reason (deemed by the instructor) and official documentation after the first one will result in a 1-point deduction, till your attendance score goes to zero. In addition, it is in your best interest to read the appropriate text material before and after each class. You will not be successful in this course if you put off study until a day or two before exams.

Bloomberg Homework and Project

There will be two Bloomberg homework assignments and one project. You will need to access Bloomberg in order to do research and/or collect data to answer specific questions. I will demonstrate some functions of Bloomberg in class. Bloomberg terminals are in Rehn 326 (trading room) and in the Finance Department office. The Finance Department terminals may be accessed during regular business hours and the terminals in Rehn 326 may be accessed whenever it is not occupied for class or other activities. You may obtain a key fob from the Department of Finance that will allow you to access Rehn Hall and Rehn 326 during non-business hours to use the Bloomberg terminals. A weekly availability schedule of the room will also be posted on the door each week.

Bonus

To provide you with an extra incentive to become fluent with the Bloomberg system, you may earn bonus points by watching (and providing proof of) the Bloomberg Market Concepts (BMC) training videos on Economic Indicators and Currencies. Note the BMC training program is different from the old BESS training program. To get the bonus for this course, you do not need to watch all four BMC modules and get the certificate, but you do need to watch the first two modules (Economic Indicators, and Currencies) plus the Intro video. No other extra credit opportunities exist beyond those spelled out herein.

Assignments Submission

Both an e-copy and a paper copy are required for assignment submission. E-copies are to be submitted using the Dropbox function in D2L; paper copies are to be submitted in person in class. Any submission past due time will suffer a penalty per calendar day while in delay.

Academic Dishonesty

Academic dishonesty will **NOT** be tolerated. Students found guilty of committing acts of academic dishonesty will receive an **F** and risk suspension from SIUC. Examples of academic dishonesty include, but are not limited to: plagiarism, knowingly furnish false information to the instructor, possession or use of others' homework or projects (even a part of) to work as their own, talk to others or look at books, notes, electronic devices other than a calculator or others' exams during an exam.

Posting Grades

SIUC dawgtag numbers (85xxxxxxx) will be used to post grades of the entire class during the semester. If you have any question about this grade posting method, please let me know a.s.a.p.

Others

For detailed information on important semester dates, student conduct code, and emergency procedures, please refer to:

http://pvcaa.siu.edu/_common/documents/syllabus%20attachments/Syllabus%20Attachment%20Fall%202015.pdf

I WILL TREAT EVERYONE WITH RESPECT. IN RETURN, I EXPECT THE BASIC MANNERS FROM YOU. THESE INCLUDE BUT ARE NOT LIMITED TO:

1. Absolutely **NO** newspaper reading, internet surfing, text messaging, or chatting in class. I reserve the right to ask anyone violating this rule to leave the classroom for an unexcused absence. I will instruct you on the use of the computers and the Bloomberg terminals when the need arises in class.
2. Each excuse for class absence requires **OFFICIAL** documentation and approval from me. If no official documentation is provided or the excuse for the absence is not approved, one-point attendance score will be deducted and the student is **FULLY** responsible for making up the missed class material, i.e., I will **NOT** go over anything with you, not on the same day, not on the next day, and definitely not before the exam or assignment due date.
3. Since each student can get up to 3 bonus points, any other argument about more curves, extra credits or bonus points is unnecessary: especially for students who do not show efforts during the semester and require anything extra in the end, the answer will be an absolute **NO**. No student will be given an advantage over others by having the opportunity to obtain more extra credit. Incomplete grades will **NOT** be given except under appropriate circumstances.

Tentative Schedule

The course outline below is only tentative. Depending upon our progress, some topics may be covered in greater depth and for longer periods, some topics may be given less coverage and less time, and some topics may be dropped altogether. In other words, the course outline below provides a general plan for the course; deviations may be necessary.

Date	Topic	Chapter
8/25	Syllabus, Course Introduction	1
8/27, 9/1	International Monetary System	3, 5, 9
9/3, 8	Balance of Payments	4
9/10	Review for Exam 1	
9/15	Exam 1 (15%)	
9/17, 22	the Foreign Exchange Market Bloomberg Homework 1 assigned	6
9/24,29	International Parity Conditions	7
10/1	Guest Speaker	
10/6,10/8	International Parity Conditions Bloomberg Homework 1 (7.5%) due at the beginning of 10/6's class	7
10/13	Fall Break	
10/15, 20	FX derivatives	8
10/22	Review for Exam 2	
10/27	Exam 2 (25%)	
10/29	Transaction Exposure Bloomberg Homework 2 assigned	10
11/3	Guest speaker	
11/5, 10	Transaction Exposure	10
11/12	Operating Exposure Bloomberg Homework 2 (7.5%) due at the beginning of 11/12's class	12
11/17, 19	Operating Exposure	12
11/24	The global cost and availability of capital International Portfolio Theory and Diversification Project Assigned	13 16
11/26	Thanksgiving Break	
12/1, 3, 8	International Portfolio Theory and Diversification	16
12/10	Review for Exam 3 Project (15%) due at the beginning of 12/10's Class	
12/17	Exam 3 (25%), 10:15am-12:15pm Bonus (3%) due at the beginning of Exam 3 on 12/17 Attendance for all the classes throughout the semester (5%)	