Course Syllabus
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Others by appointment

I. Orientation:

International Finance is a field of growing excitement and importance. Newspaper headlines are frequently dominated by such international financial issues as weak dollar, rising euro, and undervalued Chinese currency. A knowledge and understanding of these topics and related issues are vital to your career in business.

We live in the world of globalism, technology and cyberspace. In particular, national economies have become more integrated and technological barriers are continually falling. Multinational corporations now have production and distribution facilities all over the world and compete for worldwide markets.

In this course we will be concerned primarily with (1) the understanding of business environment in which these multinational corporations operate, and (2) the development and discussion of various analytical concepts and tools useful for the financial management of these firms.

In our study it is important that the student acquires a sense of how financial analysis becomes adjusted to the changing problems of the time and how the nature of financial analysis is influenced by the growth of information and the improvement of technology. The world in which we live is dynamic and so are financial theory and methods of financial analysis.


III. Course Administration and Procedures:

Students are expected to stay current in their reading assignment preparation and visit regularly the class homepage and Spectrum. The course syllabus, assignments, ppt masters, solutions to problems and cases are downloadable from the homepage or eCourseware. All portals are password protected: Use your university mail id and password.
Useful websites are linked from "Hot Links 2, INTL FIN" of my homepage. Exam grades will be posted on the eCourseware “grade” section. All emails will be sent only to the addresses that you have provided the University Records Office.

The basic concepts, principles, and techniques of financial analysis are inter-related; if you allow a vacuum to develop in any area of our study, it will be an analytical void difficult to fill through cramming at the last minute.

Grades: Will be based on (i) two midterm exams and a final exam, (ii) attendance and (iii) a maximum of 3 bonus points per student for classroom participation.

Tape-recorders, Laptops, PDA’s, Calculators, and Cell Phones: Tape-recorders are not allowed in class. Laptops, PDA’s and calculators are allowed in class but they are disallowed during exam periods except for one pocket-size calculator including programmable one. Cellular phones/pagers must be turned off in class except for vibrator signal.

Attendance: Classroom participation is an integral part of your learning. A total of 10 sample rolls, including occasional two samples on same day, will be taken throughout the semester, and your attendance points are determined:

- 8 and more attendance: 5 points
- 7 attendance: 4 points
- 6 attendance: 3 points
- 5 attendance: Zero points
- 4 or less attendance: Minus 1 point for each roll missed up to a total of minus 5 points.

The average of the three exams counts 95 points and attendance 5 points. Bonus points will be added to the exam and attendance points. Your exam, attendance and bonus points, and their letter grade equivalent are:

- 90 -100: A
- 80- 89: B
- 70- 79: C
- 59 - 69: D
- Below 58: F (I do not use +/- grading.)

(E.g., John Doe made 85, 87 and 92 on his two mid-term and final exams, respectively. He was in attendance 8 times and earned 1 bonus point. His total points are 89.6. \[\frac{(85+87+92)}{3} \cdot .95 = 83.6, \text{ and } 83.6 + 5 + 1 = 89.6 \text{ total points. His course grade is an A. If he had missed 6 roll calls and earned no bonus points, his total points and course grade would be } 83.6 - 1 = 82.6 \text{ and a B.}\)

The final exam is not comprehensive. Make-up exams, which are comprehensive, will be given only at the end of the semester. Those who have missed both midterm exams or those who missed five or more roll calls forfeit make-up exams.

**IV. Assignments.** This schedule may change and all changes will be announced in class.
<table>
<thead>
<tr>
<th>Date</th>
<th>Assignments</th>
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| 1/25  | Ch. 1 Globalization and MNE  
       | Ch. 2 Financial Goals and Corporate Governance  
       | Ch. 3 International Monetary System |
| 2/1   | Ch. 3 Continued  
       | Ch. 4 The Balance of Payments  
       | Ch. 6 Foreign Exchange Market. Question 1 (p.160). Problems 1, 2, and 3. |
| 2/8   | Ch. 7 International Parity Conditions.  
       | Problems 1 (for 4/1976 and 4/2005), Problems 6, 18 and 19 |
| 2/15  | Ch. 7 continued. Review  
       | **First one-hour exam** |
| 2/22  | Exam returned.  
       | Ch. 5 Current Multinational Financial Challenges: The Credit Crisis of 2007-09  
       | Ch. 8 Foreign Currency Derivatives.  
       | Reading assignment for mid-term exam: Lipscomb: “An overview of non-deliverable forward market” |
| 3/1   | Ch. 8 Problems 1, 2, 6 and 7.  
       | Ch. 9 Interest rate and Currency Swaps. Problems 1 and 5.  
       | Ch. 10 Foreign Exchange Rate Determination and Forecasting. |
| 3/8   | Spring Break |
| 3/15  | Ch. 10 Continued. Problems 2, 3 and 5  
       | Ch. 11 Transaction Exposure |
| 3/22  | Ch. 12 Operating Exposure |
| 3/29  | **Second one-hour exam**  
       | Ch. 13. Translation Exposure |
| 4/5   | Ch. 14. Global Cost and Availability of Capital  
       | Ch. 15. Sourcing Equity Globally |
| 4/12  | Ch. 16 Sourcing Debt Globally  
       | Ch. 17 International Portfolio Theory and Diversification. |
| 4/19  | Ch. 19 Multinational Capital Budgeting  
       | Ch. 21 Working Capital Management, pp. 545-556 |
| 4/26  | Ch. 22 International Trade Financing |
| 5/3   | 8:00 pm. **Final Exam** |