Course Syllabus
FIR 4550 / 6550 M50 – International Finance
Fall 2018, August 27 - December 10, 2018

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Office Hours: via Skype or Blue Jeans (link) Wednesdays 2:00 – 5:00. You can also call me on my personal phone (312-720-7979) or office phone (901678-4876) during office hours.

Course Overview
This will be an exciting course with equal reliance on fundamentals and interpretation of data. The course is divided into two parts. In the first part we will learn how exchange rates are determined and what causes them to move and try and forecast exchange rates for a few economies. In the second part we will learn how MNCs operate in the global world and manage exchange rate fluctuations.

Pre-Requisites/Co-Requisites:
An open mind and the willingness to work hard.

Required Text & Materials:


Location of Course Materials:
All class assignments submissions, notes and other material will be available on the ecourseware website: https://elearn.memphis.edu/d2l/home/7000045

Course Objectives:
- To understand how the international exchange rates are determined and how the international financial markets operate including but not limited to the derivatives market.
- How interest rates are related to exchange rates
- How governments influence exchange rates, interest rates and international trade
- How exchange rate fluctuations influence other markets
- How MNCs manage operations, value projects and minimize risks

Fogelman College: Learning Outcomes for Your Degree
BBA http://www.fcbeassessment.net/LearningOutcomes/BBADegreeLearningOutcomes.pdf

Course Methodology
The class will be a mix of lectures on fundamentals, plenty of time playing with actual market data and lots of discussions on real cases. In short we will work hard and have a lot of fun learning.

You will need excel for projects, assignments and Quizzes. I will provide most of the data that you need.

Assignments:
There will be discussions due every other week to be submitted in the discussions forum. They will open on Mondays and close on Sunday nights. Discussions will direct your learning of the chapter and will guide you in preparing for the quiz and work your way towards the three projects that you are expected to finish. Given their importance, they have a 20% weight in your overall grading.

Practice Problems:
In addition to the discussions, please make use of the practice problems available with most chapters. Also try and work on the end of chapter problems. The quizzes will have problems like the practice problems.

Exams:
There are no finals or mid-term exams. You will be assessed through 4 quizzes after we finish a module. The quizzes will have 20 Multiple choice questions and you are allowed only one attempt. I would strongly advise you to attempt the quiz after you have gone through the material, worked the practice problems, and feel comfortable understanding the concepts discussed in the discussion forums.

Projects:
There are four mini projects, each worth 10% of your final grade. You will receive detailed instructions on each of the projects. Project 1 will cover the future of currency and whether cryptocurrencies are the future or just a fad. Project 2 will delve deeper into the current trade wars, currency manipulation and governmental intervention. Project 3 is a quantitative exercise in creating a model capable of forecasting exchange rates and for Project 4 we will study the challenges posed by forex movements on MNCs.

Trading Simulation:
We will run a 1-week trade simulation from September 24th to 30th (Trading currency derivatives).
**Professor’s Expectations:**

I expect you to participate in the discussions, read the material and be on top of your assignments. If you have any problems, please do not hesitate to reach out. The class load will demand that you to spend at least 3 to 5 hours a week.

We are on the honor system. During a quiz or submission of an assignment, I expect you to submit your own work and not anything from the internet or someone else’s. You are allowed to refer to other material, but make sure that you cite and give due credit to any source that you have used. **In every assignment I want to hear your opinion and views on the question asked.**

**Student's Expectations:**

I aim to provide a structured and organized course which will challenge you, but at the same time will expand your horizons. You can expect a response to your email within two working days and feedback and grades on all submitted assignments within 5-7 calendar days.

**Grading and Evaluation Criteria**

The following will be the grading scheme:

- 4 Quizzes = 32 points
- Trading Simulation = 8 points
- 4 Reports = 40 points
- Discussions = 20 points

**Final Course Grades**

Your exam, and their letter grade equivalent are:

<table>
<thead>
<tr>
<th>Grade Range</th>
<th>Letter Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>90 -100</td>
<td>A</td>
</tr>
<tr>
<td>80- 89</td>
<td>B</td>
</tr>
<tr>
<td>70- 79</td>
<td>C</td>
</tr>
<tr>
<td>59 - 69</td>
<td>D</td>
</tr>
<tr>
<td>Below 58</td>
<td>F</td>
</tr>
</tbody>
</table>

**List of Formal Assessed Activities**

This is a tentative schedule and I reserve the right to make any changes to the deadlines.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Open</th>
<th>Close</th>
<th>Material</th>
<th>% of Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUIZ 1</td>
<td>8/27/2018</td>
<td>9/16/2018</td>
<td>Chapters 2 and 4</td>
<td>8%</td>
</tr>
<tr>
<td>Project 1</td>
<td>8/27/2018</td>
<td>9/16/2018</td>
<td>Cryptocurrency</td>
<td>10%</td>
</tr>
<tr>
<td>QUIZ 2</td>
<td>9/17/2018</td>
<td>10/7/2018</td>
<td>Chapter 5</td>
<td>8%</td>
</tr>
<tr>
<td>Simulation</td>
<td>9/24/2018</td>
<td>9/30/2018</td>
<td>Chapter 5</td>
<td>8%</td>
</tr>
<tr>
<td>Project 2</td>
<td>9/17/2018</td>
<td>10/12/2018</td>
<td>Trade wars</td>
<td>10%</td>
</tr>
<tr>
<td>QUIZ 3</td>
<td>10/1/2018</td>
<td>11/4/2018</td>
<td>Chapters 6, 7 and 8</td>
<td>8%</td>
</tr>
<tr>
<td>Project 3</td>
<td>10/13/2018</td>
<td>9/11/2018</td>
<td>Forecasting Exchange Rate</td>
<td>10%</td>
</tr>
<tr>
<td>QUIZ 4</td>
<td>11/26/2018</td>
<td>12/10/2018</td>
<td>Chapters 10,11, and 12</td>
<td>8%</td>
</tr>
<tr>
<td>Project 4</td>
<td>9/12/2018</td>
<td>12/10/2018</td>
<td>MNC forex exposure</td>
<td>10%</td>
</tr>
<tr>
<td>Discussions</td>
<td>Monday</td>
<td>Sunday</td>
<td></td>
<td>20%</td>
</tr>
</tbody>
</table>
Course Topics and Schedule of Activities

This is a tentative breakdown of the topics that we will try and cover. It is subject to change as and when needed. We will not be covering the full chapter many a times, but only parts that I deem fit.

<table>
<thead>
<tr>
<th>Week</th>
<th>Dates</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aug 27- Sep 2</td>
<td>Introduction &amp; Chapter 2: Flow of Funds</td>
</tr>
<tr>
<td>2</td>
<td>Sep 3-9</td>
<td>Chapter 4: Exchange Rate Determination</td>
</tr>
<tr>
<td>3</td>
<td>Sep 10-16</td>
<td>Project 1 due</td>
</tr>
<tr>
<td>4</td>
<td>Sep 17-23</td>
<td>Chap 5: Currency Derivatives</td>
</tr>
<tr>
<td>5</td>
<td>Sep 24-30</td>
<td>Chap 5: Currency Derivatives / Trading Simulation</td>
</tr>
<tr>
<td>6</td>
<td>Oct 1-7</td>
<td>Chap 6: Government Influence on Exchange Rates</td>
</tr>
<tr>
<td>7</td>
<td>Oct 8-14</td>
<td>Project 2 due</td>
</tr>
<tr>
<td>8</td>
<td>Oct 15-21</td>
<td>Chap 7: International Arbitrage and IRP</td>
</tr>
<tr>
<td>9</td>
<td>Oct 22-28</td>
<td>Chap 8: Relationships among Inflation, Interest Rates, and Exchange Rates</td>
</tr>
<tr>
<td>10</td>
<td>Oct 29- Nov 4</td>
<td>Chapter 9: Forecasting Exchange Rates</td>
</tr>
<tr>
<td>11</td>
<td>Nov 5-11</td>
<td>Project 3 due</td>
</tr>
<tr>
<td>12</td>
<td>Nov 12-18</td>
<td>Chap 10: Measuring Exposure to Exchange Rate Fluctuations</td>
</tr>
<tr>
<td>13</td>
<td>Nov 19-25</td>
<td>Chap 11: Managing Transaction Exposure</td>
</tr>
<tr>
<td>14</td>
<td>Nov 26- Dec 2</td>
<td>Chap 12: Managing Economic and Translation Exposure</td>
</tr>
<tr>
<td>15</td>
<td>Dec 3-10</td>
<td>Project 4 due</td>
</tr>
</tbody>
</table>

Final Exam Schedule

There will be no mid-term or final exam for this class.

Course Policies

E-MAIL:

Emails will be sent only to those addresses that I retrieve digitally from University Records Office (You U of M email). Notifications about changes in the syllabus or assignments will be done via these email addresses. Any inability to receive incoming mail in a timely fashion (e.g., not regularly checking your email, having a “full mailbox” condition, etc.) is the student’s responsibility.

Adding/Dropping:

Please refer to the following page if you have any questions about adding or dropping classes. Registrar’s website.
**Academic Integrity:**

We are on the honor system. During a quiz or submission of an assignment, I expect you to submit your own work and not anything from the internet or someone else’s.

Note that using a “Solutions Manual” is considered cheating. Should your professor have evidence that using a “Solutions Manual” has occurred, he/she may take steps as described on the campus’ [Office of Student Conduct website](https://www.officeofstudentconduct.com).

Also review the [Fogelman College's Website on Academic Integrity](https://www.fogelmancollege.com).

**Participation:**

Learning is incomplete without being able to communicate the ideas that you have learnt in a clear and concise manner. Also communication also helps to iron out any inconsistencies that you have in understanding of any of the fundamental concepts. Please do not think about asking a silly question. NO QUESTION IS SILLY. Actively participate in the discussion forum and try to help out your fellow student and you will realize that in the process you have helped yourself. There are 20 points to be earned via discussions.

**Classroom or Online Behavior:**

Be collegial in the forums and with the members of your group for the group activities that are assigned. “It is okay to disagree as long as you are agreeable.” I expect all students to be sensitive to their fellow classmates and no disrespect of any nature will be tolerated.

**Late Assignments:**

Assignment must be submitted before the deadline. I encourage early submissions. Late turn-in will not be graded and no credit will be given.

**Reporting Illness or Absence:**

I suggest that you try and submit your assignments as early as possible and not wait till the last day for submission. I will not accept any request for extension due to any emergency or illness 12 hours before deadline. All assignments are open for at least 5 days.

**Syllabus Changes:**

I reserve the right to make any changes to the syllabus and you will be notified of the same via email and notification on the ecourse webpage.

**Student Services:**

Please access the [FCBE Student Services](https://www.fcbe.edu) page for information about:

- Students with Disabilities
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance
FCBE Academic Internship Credit: In FCBE, all majors offer an academic internship course option as a substitution for a required elective in a student’s major. To apply for academic credit, students must obtain an internship highly related to their major, register prior to the start of their internship and have their internship approved by departmental internship faculty. To review the requirements for applying for academic credit, visit http://www.memphis.edu/professional/internships/academic_credit.php. Students should allow approximately two weeks for the review and processing of an academic internship application through the Fogelman Internship Network.