FIN5323/4323-70 International Finance

Professor: Dr. Huabing (Barbara) Wang

Class Days/Times/Location or Other Format: Online
Office Location: Classroom Center 215J
Office Hours: 8:30-11:00am, 12:30-2:30pm, Tuesday/Thursday
and by appointment
Office Phone: (806) 651-2508
Email: hwang@wtamu.edu
Social Media: Keep up with the latest happenings of your COB on Facebook:
www.facebook.com/wtamucob and Twitter, #WTAMUCOB

Other:
- My job is to help you succeed in the course. If you have any question or concern, please feel free to talk to me. You are welcome to talk to me before or after class, drop by my office, email, or call me with your questions or concerns.
- I check my emails and WTClass mails daily during the weekdays. During weekends, I cannot guarantee a timely reply, but I will try my best. Emails coming at night will likely be answered the next morning.
- I may post course announcement at WTClass. Please check WTClass regularly.
- You are also welcome to post your questions and answer other students’ questions on the Q&A discussion forum at WTClass. I will check the discussion forum daily during the weekdays.

Terms of Use

A student’s continued enrollment in this course signifies acknowledgment of and agreement with the statements, disclaimers, policies, and procedures outlined within this syllabus and elsewhere in the WTClass environment. This Syllabus is a dynamic document. Elements of the course structure (e.g., dates and topics covered, but not policies) may be changed at the discretion of the professor.

WTAMU College of Business Mission Statement

The mission of the College of Business is to provide high quality undergraduate and graduate business education with a global perspective and ethical awareness. We accomplish this through emphasis on excellence in teaching, which is strengthened by faculty scholarship and supported by professional service.

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Learning Objectives of the WTAMU College of Business Programs

The College of Business (COB) at West Texas A&M University (WTAMU) seeks to prepare students in the Bachelor of Business Administration (BBA), Master of Business Administration (MBA), Master of Professional Accounting (MPA), and the Master of Science, Finance and Economics (MSFE) degree programs for careers in business and to foster their professional growth and advancement via key learning goals and objectives.

The learning objectives of the College of Business are as follows:

- Leadership
- Communication
- Critical Thinking
- Business Integration
- Core Business Knowledge
- Global Business Environment
- Business Ethics and Corporate Governance

Course Description

This course covers the financial management concepts and practices unique to multi-national corporations (MNC). We will focus on the following three broad topics:

1. Global financial environment
2. Foreign exchange theory and markets
3. Managing foreign exchange exposure

Course Objectives

<table>
<thead>
<tr>
<th>COB learning objectives</th>
<th>Course learning objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>Students will practice spreadsheet modeling related to international finance. Students will have the opportunity to present and discuss cases and issues related to international finance.</td>
</tr>
<tr>
<td>Critical Thinking</td>
<td>Students will practice critical thinking skills in the context of international finance involving forecasting foreign exchange rate, recognizing the limitations of forecasts, measuring and managing foreign exchange exposure, etc.</td>
</tr>
<tr>
<td>Core Business Knowledge</td>
<td>Students will learn business knowledge related to international finance. Students will gain a basic understanding of the global financial environment, foreign exchange theory and markets, and the management of foreign exchange exposure. Students will further practice business analysis, application, and integration in the context of international finance involving forecasting foreign exchange rate, recognizing the limitations of forecasts, measuring and managing foreign exchange exposure, etc.</td>
</tr>
<tr>
<td>Global Business Environment</td>
<td>Students will gain awareness of the global financial market. Students will also study how macro environment such as government control impact the foreign exchange market, and how foreign exchange is</td>
</tr>
</tbody>
</table>
used as a policy tool to address domestic issues.

Course Materials (Text, calculator, etc.)

- Access to EXCEL. You can buy Office 2010 for $20 at the Texas A&M Software Center ([https://software.tamu.edu/public/AvailableSoftware.aspx?Page=3](https://software.tamu.edu/public/AvailableSoftware.aspx?Page=3)). If you are close to campus, you can also use the computers in the lab, which have Excel 2010 installed.
- Access to WTClass.
  - If you experience technical problems regarding WTClass, please contact the IT Service Center (ITSC) by calling 806-651-4357(HELP) or by emailing ITSC@mail.wtamu.edu. The ITSC help desk is open from 8 a.m. to 10 p.m. (Monday - Friday) to assist students who need technical support with WTClass.
  - If you are new to WTClass, please go to the following website for student orientation: [http://angel.wtamu.edu/orientation/intro.html](http://angel.wtamu.edu/orientation/intro.html)

Course Grading Policies

- **There are 1000 points available.**
  - **On-line quizzes and homework (450 points)**
    - There will be quizzes and homework assigned after each chapter. The purpose of these assignments is to help you evaluate your own study outcome and keep abreast of course progress.
    - On-line quizzes:
      - You will find them at WTClass under each weekly lesson.
      - All the quizzes contain a set of multiple-choice questions either from the class note or the practice problems I assigned at the end of each chapter—you can find the practice problems under the weekly lessons at WTClass or from the Powerpoint notes (these problems are for your practice only, and not to be turned in).
      - You are allowed two attempts at the quiz with the higher score counting towards your grade.
      - You will see only your score after your submission. I will open the full review mode after the quiz deadline for you to study. We learn from our mistakes—please make an effort to review the quiz questions, especially those you missed.
    - Group homework
      - You will find discussion board for each homework assignment at WTClass.
      - You need to submit your homework by posting a new post on the respective discussion board—Note: I will grade based on your first new post.
- If you use spreadsheet for your homework, please submit it as an attachment.
  - No late submission will be accepted unless you provide evidence of extraordinary circumstances AND get the instructor’s approval before the due day.

- **Three on-line exams (150 points each; 450 points total)**
  - Each exam is consisted of a set of multiple-choice questions.
  - To get ready for the exam, please make sure you know how to do the practice, homework, and quiz questions.

- **Currency trading game (100 points)**
  - The trading game is adopted to give you first-hand foreign exchange trading experience, and to enhance your understanding of the foreign exchange market.
  - This is a group assignment. Each group can have 2-3 members.
  - During the first two weeks of class, you will need to register for the Oanda Forex Demo account at the following website: http://fxtrade.oanda.com/forex_trading/fxgame/ Please pick USD as the account currency. Once you complete the registration process, you will be automatically credited $100,000 virtual money.
  - You need to pick at least one currency and invest your money on or before **September 9 (Monday)**, and liquidate your account before the game ends on **October 18 (Friday)**. To make the game easier to follow, you are advised to invest in only one currency and hold that currency until the end of the game. However, it is OK (probably more fun) if you prefer to trade more actively, but please be aware that you might have to spend more time on trading and reporting.
  - **Initial posting (5 points; due day--**Monday, September 9):** Post username, initial trading decision (i.e., which currency you have bought, and how much you have bought), and a one-sentence explanation of your trading decision for your group.
  - **Trading Report (95 points; due day: Sunday, October 27)**
    - You need to report the following: (1) your account balance at the end of the reporting period, (2) major events/factors that have affected your account value (e.g., interest rate cut of the foreign country, political upheaval…), (3) major events/factors that will have a major impact on your account value and you will be watching for closely in the future (e.g., upcoming Fed meeting…), and (4) prediction of future movement of your currency (or currencies).
    - Format requirement: the report needs to be 3-4 page long excluding cover page (times new roman, size 12, double spaced).
  - How to submit--as in the case of homework, I will set up discussion boards for the posting or report so that you will know how other groups are doing. You will only need one posting for the whole group. For the report, please submit it as a word document attachment to your post.
  - For news on FX movements, you can start with the resources listed on Onada’s trading platform after you log in. You may also check the following websites:
    - http://www.dailyfx.com/
    - http://forexnews.com/
• You will be assigned a letter grade as follows based on the number of total points you have accumulated throughout the semester.

<table>
<thead>
<tr>
<th>Number of points</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;=900</td>
<td>A</td>
</tr>
<tr>
<td>&gt;=800</td>
<td>B</td>
</tr>
<tr>
<td>&gt;=700</td>
<td>C</td>
</tr>
<tr>
<td>&gt;=600</td>
<td>D</td>
</tr>
<tr>
<td>&lt;600</td>
<td>F</td>
</tr>
</tbody>
</table>

**Academic Misconduct**

- Collaboration with other students while taking the exams is cheating.
- I actively pursue punishment for incidences of cheating. If there is any evidence that a student has performed academic misconduct, the student will fail the course and be turned into the Dean’s Office for further action.
- The instructor may check the IP address, time the exams are taken, your spreadsheet file info, and your WTClass activity log to detect cheating.

**WTAMU COB Student Code of Ethics**

Each student enrolled in COB courses accepts personal responsibility to uphold and defend academic integrity and to promote an atmosphere in which all individuals may flourish. The COB Student Code of Ethics strives to set a standard of honest behavior that reflects well on students, the COB and West Texas A&M University. All students enrolled in business courses are expected to follow the explicit behaviors detailed in the Student Code of Ethics.

**Code of Ethics**

- Do not use notes, texts, solution manuals, or other aids for a quiz or exam without instructor authorization.
- Do not copy the work of others and/or allow others to view your answers or copy your work during a quiz, exam, or on homework assignments.
- Do not work with other students on projects or assignments without authorization from the course instructor.
- Properly cite and specifically credit the source of text, graphic, and web materials in papers, projects, or other assignments.
- Do not forge the signature of an instructor, advisor, dean, or another student.
- Provide truthful information for class absences when asking faculty for excused absences or for a make-up for a quiz, exam, or homework.
- Provide truthful information on your resume including work history, academic performance, leadership activities, and membership in student organizations.
- Respect the property, personal rights, and learning environment of all members of the academic community.
- Live up to the highest ethical standards in all academic and professional endeavors.
Students violating the Student Code of Ethics will be reported to the Dean’s office and are subject to penalties described in the West Texas A&M University Code of Student Life, which may include suspension from the University. In addition, a violator of the Student Code of Ethics may become ineligible for participation in student organizations sponsored by the COB and for recognition for College academic honors, awards, and scholarships.

COB Student Resources Link

The COB has developed a Student Resources repository (e.g., APA writing style information, business core reviews, facilities, and other helpful supplements), which can be found on the COB Website: http://www.wtamu.edu/academics/college-business-facilities-and-resources.aspx. Additionally, WTAMU has developed an Academic Study Skills information site to assist students (e.g., study habits, supplemental instruction, tutoring, writing and math skills), which can be found on the WTAMU Website: http://www.wtamu.edu/student-support/academic-study-skills.aspx. For WTAMU Writing Center information (for students needing writing assistance, guidance, and feedback), please visit: http://www.wtamu.edu/academics/writing-center.aspx.

COB Writing Component

Students earning a BBA degree must complete at least one course with a writing component outside of their major as part of the business core requirements. The COB writing component is a requirement in the following courses: BUSI 1304 (Business Communication), CIDM 3320 (Digital Collaboration and Communication), MGT 3335 (Organizational Behavior), FIN 3350 (Personal Financial Planning), FIN 4320 (Portfolio Theory), ECON 4342 (Economic Development), and BUSI 4380 (Conflict Resolution and Negotiation). Students in a writing component course are explicitly required to demonstrate knowledge of communication skills. Specific objectives may include but are not limited to the following concepts put forth by the National Business Education Association: (1) ability to organize a written and an oral message coherently and effectively, (2) ability to use technology for communication, (3) ability to research a topic, prepare a report, and present the findings to all organizational levels, and (4) ability to demonstrate critical-thinking skills. Specific course requirements and the role of the writing component with respect to student grading policy are at the discretion of the course instructor of record.

Student Travel Opportunities

In multiple business courses, there may be opportunities for student travel supplemented by student fees. If you have an interest in such opportunities as they become available, please notify a faculty member.

Dropping/Repeating the Course

Should a student decide to drop the course, it is the student’s responsibility to be aware of the final drop dates and adhere to the WTAMU Add/Drop policy. Any student participating in the course after the WTAMU posted drop date will be considered active and a grade will be administered at the end of the course for that student. Students are charged a fee for any course attempted for a third or subsequent time at WTAMU other than a non-degree credit developmental course or exempted courses.

Scholastic Dishonesty

It is the responsibility of students and instructors to help maintain scholastic integrity at the University by refusing to participate in or tolerate scholastic dishonesty. Commission of any of the following acts shall constitute scholastic dishonesty. This listing is not exclusive of any other acts that may reasonably be said to constitute scholastic dishonesty: acquiring or providing information for any assigned work or examination from any unauthorized source; informing any person or persons of the contents of any examination prior to the time the examination is given in subsequent sections of the course or as a makeup; plagiarism; submission of a paper or project that is substantially the same for two courses unless expressly authorized by the instructor to do so; submission of a paper or project prepared by another student as your own. You are responsible for being familiar with the University's Academic Integrity Code, as well as the COB Student Code of Ethics listed in this document.

Viewpoints/External Websites Disclaimer

The views expressed in this document, web-based course materials, and/or classroom presentations and discussions are those of the professor and do not necessarily represent the views of West Texas A&M University, its faculty and staff, or its students. Views expressed by students are likewise those of the person making such statements. It is understood and expected that each individual within this course will respect and allow individual difference of opinion.

Neither the professor, the COB, nor WTAMU are responsible for the content of external websites discussed in the classroom and/or linked to via online course materials, emails, message boards, or other means. Referred websites are for illustrative purposes only, and are neither warranted nor endorsed by the professor, COB, or WTAMU. Web pages change frequently, as does domain name ownership. While every effort is made to ensure proper referencing, it is possible that students may on occasion find materials to be objectionable for reasons beyond our control.

Acceptable Student Behavior

Classroom behavior should not interfere with the instructor’s ability to conduct the class or the ability of other students to learn from the instructional program (Code of Student Life). Unacceptable or disruptive behavior will not be tolerated. Students engaging in unacceptable
behavior may be instructed to leave the classroom. Inappropriate behavior may result in disciplinary action or referral to the University’s Behavioral Intervention Team. This prohibition applies to all instructional forums, including electronic, classroom, labs, discussion groups, field trips, etc.

Technology Requirements

All technological requirements for the successful completion of this course are the responsibility of the student, including access to a working computer and/or a device with secure broadband Internet connection, data storage and retrieval, and state-of-the-art security. The student is responsible for all technological problems not related to WTAMU, including but not limited to equipment failures, power outages, and Internet breakdowns. Furthermore, students are responsible for all necessary technical and operational skills for completing this course, and for being familiar with WTC class (the Angel Learning System) both in a general sense and in a specific sense as pertaining to this course and any materials stored within. The professor is not responsible for any technical matters related to WTC class. Students must contact WTC class if they have problems accessing and/or using the WTC class environment.

Physical or Educational Access - ADA Statement

West Texas A&M University seeks to provide reasonable accommodations for all qualified persons with disabilities. This University will adhere to all applicable federal, state and local laws, regulations and guidelines with respect to providing reasonable accommodations as required to afford equal educational opportunity. It is the student's responsibility to register with Student Disability Services (SDS) and to contact faculty members in a timely fashion to arrange for suitable accommodations. Contact Information: Student Success Center, CC 106; www.wtamu.edu/disability; phone 806-651-2335.

Evacuation Statement

If you receive notice to evacuate the building, please evacuate promptly but in an orderly manner. Evacuation routes are posted in various locations indicating all exits, outside assembly area, location of fire extinguishers, fire alarm pull stations and emergency telephone numbers (651.5000 or 911). In the event an evacuation is necessary: evacuate immediately do not use elevators; take all personal belongings with you; report to outside assembly area and wait for further information; students needing assistance in the evacuation process should bring this to the attention of the instructor at the beginning of the semester. to request additional information, please contact the Vice President for Student Affairs.

Copyright

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* Syllabus template approved by COB Curriculum Committee May 2013. Annual review of the syllabus is a formal part of the COB continuous improvement process.
# Topic outline

*Please note that this outline is tentative and subject to change*

<table>
<thead>
<tr>
<th>Week</th>
<th>Dates</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8/26-9/1</td>
<td>Syllabus, Ch3 International financial market: foreign exchange market (p.55-64)</td>
</tr>
<tr>
<td>2</td>
<td>9/2-9/8</td>
<td>Ch4 Exchange rate determination: measuring exchange rate movements and exchange rate equilibrium (p.95-99); Ch2 International flow of funds  &lt;br&gt; <em>Reminder: Trading game starts and initial posting due 9/9 (Monday)</em></td>
</tr>
<tr>
<td>3</td>
<td>9/9-9/15</td>
<td>Ch2 International flow of funds ; Ch4 Exchange rate determination: factors that influence exchange rates (p.99-107)</td>
</tr>
<tr>
<td>4</td>
<td>9/16-9/22</td>
<td>Ch6 Government influence</td>
</tr>
<tr>
<td>5</td>
<td>9/23-9/29</td>
<td>Asian Crisis; Review for Exam 1</td>
</tr>
<tr>
<td>6</td>
<td>9/30-10/6</td>
<td>Exam 1 (Ch2, 3, 4, 6, Asian Crisis) Ch5 Currency derivatives—forward market (p.117-120) ; Ch7 International arbitrage and interest rate parity</td>
</tr>
<tr>
<td>7</td>
<td>10/7-10/13</td>
<td>Ch7 International arbitrage and interest rate parity</td>
</tr>
<tr>
<td>8</td>
<td>10/14-10/20</td>
<td>Ch8 Relationships among inflation, interest rates, and exchange rates  &lt;br&gt; <em>Reminder: Trading game ends on 10/18 (Friday)</em></td>
</tr>
<tr>
<td>9</td>
<td>10/21-10/27</td>
<td>Ch9 Forecasting exchange rates                                       &lt;br&gt; <em>Reminder: Trading game report due by 10/27 (Sunday)</em></td>
</tr>
<tr>
<td>10</td>
<td>10/28-11/3</td>
<td>Ch9 Forecasting exchange rates ; Review for Exam 2</td>
</tr>
<tr>
<td>11</td>
<td>11/4-11/10</td>
<td>Exam 2 (Ch5-forward market, 7, 8, 9); Ch10 Measuring exposure</td>
</tr>
<tr>
<td>12</td>
<td>11/11-11/17</td>
<td>Ch10 Measuring exposure; Ch5 Currency derivatives—futures and options (p.120-138)</td>
</tr>
<tr>
<td>13</td>
<td>11/18-11/24</td>
<td>Ch11/12 Managing exposure; Happy Thanksgiving!</td>
</tr>
<tr>
<td>14</td>
<td>11/25-12/1</td>
<td>Ch11/12 Managing exposure</td>
</tr>
<tr>
<td>15-16</td>
<td>12/2-</td>
<td>Review for Exam 3; Exam 3 (Ch10, 5, 11, 12; due 11:30pm Thursday, 12/12)</td>
</tr>
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</table>