



FIN 3115  
Section XX  
International Financial Management  
Semester I, 2014/2015 (Aug 2014 – Nov 2014)  
Th. XX:00 xx – XX:00 xx  
BZ1/X-X

Instructor:

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**Recommended Textbook**

Eun, Cheol S., Bruce G. Resnick, and Sanjiv Sabherwal. *International Finance*. McGraw-Hill. 6th edition  
(ISBN: 9780078034657, US Edition; ISBN: 978007136972, Global Edition)  
(ER)

McGraw-Hill's site for the textbook requires no password or permission:  
[http://highered.mcgraw-hill.com/sites/0078034655/information\\_center\\_view0/](http://highered.mcgraw-hill.com/sites/0078034655/information_center_view0/)

**Supplementary Material**

Solnick, Bruno, and Dennis McLeavey. *Global Investments*. Pearson. 6th edition  
(ISBN: 0321527704, US Edition; ISBN: 0321552129, Global Edition)  
(SM)

Pearson's site for the textbook requires no password or permission:  
[http://wps.aw.com/aw\\_solnik\\_intlinv\\_6/](http://wps.aw.com/aw_solnik_intlinv_6/)

Melvin, Michael. *International Money and Finance*. Pearson. 7th edition  
(ISBN: 0201770288)  
(M)

Pearson's site for the textbook requires no password or permission:  
[http://wps.aw.com/aw\\_melvin\\_intmonfin\\_7/14/3803/973779.cw/index.html](http://wps.aw.com/aw_melvin_intmonfin_7/14/3803/973779.cw/index.html)

## **Course Description**

In this course, we will place our emphasis on the international financial system, international investments, and international financial management, particularly in Asia. This course is especially helpful for a student pursuing a career in international banking, global asset management, or international corporate finance. Our course begins with a thorough analysis of international business risks and the structure of the international monetary system. We will then cover the following topics: the foreign exchange market; exchange-rate determination; international investments; currency and rate risk management; international capital budgeting; international political risk and corporate governance in Asia; and international banking and liquid asset management. The Global Financial Crisis has changed the global financial landscape tremendously. This course not only provides an understanding of the existing international financial architecture, but an understanding of rapidly evolving global institutions and markets.

## **Course Objective**

We have one overarching objective in this course: to master the general framework of international finance; a framework that highlights the fundamentals. One of my duties as the “prof” is to lay the groundwork for you to be an active learner of international finance. I prefer to couch the concepts of the course in terms of your questions. Given the foundation, you should eventually develop your own questions about international finance. There is no doubt that you will develop a solid competence in the advanced concepts and techniques if you develop your own questions.

## **Course Format**

Our course has four approaches to teaching in class: lecture, problem-solving, the case method, and the discussion of “real-world” events. You will benefit greatly from going over the associated readings and textbook chapters before class. The quality of your education in this course is primarily driven by the quality of your questions, and my answers to those questions. Each student is different. Your questions might be common but, more often than not, they are posed in unique ways. We will solve problems in this course, but you will not be rewarded for rote memorization. Given the time that you dedicate to this course, an efficient use of time would be for you develop your own questions about international finance. Furthermore, you are encouraged to read the *Wall Street Journal*, *Financial Times*, and *The Economist* to pose questions within the context of current events.

## Learning Outcomes

Students are expected to exhibit competence in the following subjects: international risk assessment, international investment decision-making, and international capital budgeting.

## Study Questions

There are two exams in this course. In preparation for the exams, the students are encouraged to complete two sets of study questions: an Exam 1 set and an Exam 2 set. Students should submit their answers for each set prior to the review class for each exam. For example, students should submit their answers for the Exam 1 study questions at the start of Class 4. The study questions will not be marked. However, a student's successful completion of the study questions will reflect well on the student for the class participation component of the overall course grade. The correct answers for the study questions will be presented during the associated review class.

## Exams

There are two exams in this course. Each exam consists of three sections: true/false, multiple choice, and short answer. Exam 2 focuses on the topics that are not covered in Exam 1. For each exam, students are allowed to bring ONE (1) sheet (A4 size, double-sided) of notes and a calculator. Only NUS approved calculators are allowed. Be sure that you know how to use your calculator before you take the exams. Calculator user manuals are not allowed in the exams.

## Grading

Your course grade is based on your overall performance in the class (exams, class participation, and the group project). The following percentage weights are used to form your overall course average:

Item	Weight
Class Participation	10%
Exam 1	20%
Exam 2	30%
Group Project	40%
<b>Total</b>	<b>100%</b>

## Groups and Projects

In this course, there will be a major group case project that involves both a written report and an oral presentation. Students will be assigned to six groups by the beginning of Class 4. Each group member is responsible for the entire project report, and will be expected to rate the other members of the group based on effort and competence.

We will cover two group case projects during the semester. Out of the six groups, there will be three primary groups for each case. Groups 1A, 1B, & 1C will take on the primary responsibility for Case 1; and groups 2A, 2B, & 2C for Case 2. Each primary group will submit a double-spaced, typewritten comprehensive report **not exceeding 10 pages of text** (the main body of the text excludes tables and appendices). The due date for the written report is listed in the right margin of the *Class Schedule*. Each primary group must distribute a copy of its written report to the critique (non-primary) group by the due date for the comprehensive report. The critique groups are required to submit a **one-page** critique of the report at the start of class on the first day of project presentations.

The group assignments are as follows:

Case Number	Presenting (Primary) Group	Critique (Non-Primary) Group
1	1A	2A
1	1B	2B
1	1C	2C
2	2A	1A
2	2B	1B
2	2C	1C

During each project presentation, the presenting group will be given **60 minutes** to present analysis and insights. Comments will be solicited from the critique groups. All students are expected to actively participate in the project discussions. The project assignment along with guidelines will be made available on IVLE at least two weeks before the due date for the comprehensive report.

## Submission Policy

ALL group reports and critiques should be submitted by the relevant due date. Late submissions will be penalized by at least 20 percent.

**Class Schedule (Semester I, 2014/2015)**

<b>Class</b>	<b>Week</b>	<b>Ch. in ER</b>	<b>Topic</b>	<b>Due</b>
1	Aug. 11	1-3, 9, 11	Multinational Finance and International Investments <ul style="list-style-type: none"> <li>◦ Collapse in Asia - 1997/98</li> <li>◦ Exchange Rate Policy at the MAS</li> </ul>	
2	Aug. 18	5, 12-13	The Foreign Exchange Market	
3	Aug. 25	8, 10, 12-13	Bonds, Interest Rates, and Swaps	
4	Sep. 1	.	Finish & Review	
E1	Sep. 8	1-3, 5, 9, 11-13	<u>Exam 1</u> [Saturday, 3pm - 6pm]	
5	Sep. 15	15-17, 21	International Capital Budgeting	
---	Sep. 22	---	Fall Recess	
6	Sep. 29	7,18-19	International Banking, Money Markets, and Liquidity Management <ul style="list-style-type: none"> <li>◦ Corporate Inversions: Stanley Works and the Lure of Tax Havens</li> </ul>	All Reports
7	Oct. 6	.	Case Analysis <ul style="list-style-type: none"> <li>◦ Walt Disney Co.'s Yen Financing</li> <li>◦ Financing the Mozal Project</li> </ul>	All Critiques
8	Oct. 13	.	Project Presentations: Day 1	
---	Oct. 20	---	Holiday	
9	Oct. 27	.	Project Presentations: Day 2	
10	Nov. 3	.	Review & Topics in International Finance	
E2	Nov. 10	7-8, 10, 12-13, 15-19, 21	<u>Exam 2</u> [Saturday, 3pm - 6pm]	