

OLD DOMINION UNIVERSITY  
College of Business and Public Administration  
Finance 435  
International Financial Management  
Spring 2008

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Office Hours: TTH 3:15-4:30 or by appointment

### **Learning Goals**

1. Provide a basic understanding of the foreign exchange market and the international financial environment
2. Give the student an appreciation of foreign exchange risk management and present some of the tools to deal with these problems
3. Present some of the issues involved in international financial management and provide some of the techniques to address these issues

**PREREQUISITES:** Finance 323

**TEXT:** Eiteman, Stonehill, and Mofett, *Multinational Business Finance*, 11th Edition, Addison Wesley, 2007. (Required)

The book contains a wealth of information. It is not, however, easy to read. It is crucial, therefore, that students come to every class so that I can explain the important concepts.

### **GRADING:**

3 Midterms - 20% each for a total of 60%

Comprehensive Final - 30%

Homework – 5%

Classroom attendance/Participation – 5%

(There are no extra credit assignments in this class)

Tests will consist of short answers, essays, problems, and multiple-choice questions. Students are expected to take exams during the regularly scheduled class. If a student is unable to take a test and has been given prior permission to miss the exam then the weight for the two remaining tests will be 25% each for a total of 50% and the final will count 40%. There are no make-ups for any of the exams.

Your classroom attendance/participation grade will be computed in part by taking role at the

beginning of each class. If you are late to class your attendance grade for that day will be zero. If you leave before the end of class your attendance grade for that day will also be zero.

There will be five homework assignments during the semester. They are due at the beginning of class and no late assignments will be accepted. If for some reason a student is unable to come to the class on the day an assignment is due, the student can email the homework (could use a word attachment) or fax the homework to 683 3258 (put attention Bruce Seifert in large print). Emails and faxes need to be received by the beginning of the class.

The grading scale is as follows:

<u>Percent</u>	<u>Grade</u>
90 – 100% (will be in the)	A (range)
80 - 89.99% (will be in the)	B (range)
70 - 79.99% (will be in the)	C (range)
60 - 69.99% (will be in the)	D (range)
Below 60 (will be)	F

On my website (<http://web.odu.edu/~bseifert/>) for Finance 435 you will find some old tests for the course as well as the slides for the course.

**CLASS POLICIES:** Students are expected to attend class each week and bring their textbook, the course slides, and a calculator. Students should ask questions regularly.

**STUDENT BEHAVIOR:** Students should follow the standards of behavior as outlined in the College Classroom Conduct – A Guide for Students published by the Office of Student Judicial Affairs.

**BRIEF DESCRIPTION OF THE COURSE:**

The focus of this course is on the financial problems faced by multinational companies. The first part of the course deals with the international financial environment and the foreign exchange market. This material provides the background for the second part of the course - foreign exchange risk. The last part of the course covers a number of problems faced by all companies (for example, financing and working capital management) and discusses them in light of the unique characteristics of multinational firms.

**HONOR CODE:** Students are to write AI pledge...@ followed by their signature on all tests and the final. The pledge says that the student has Aneither given nor received aid of any sort on this work/test/assignment/.

**STUDENTS WITH DISABILITIES:** For students who need accommodations in this class, please contact me personally and provide a letter from Disability Services (1050 Webb Center) to support your request.

*About Plagiarism*  
The College of Business and Public Administration  
Old Dominion University  
Article from the Dean's Office (Dean Bagranoff) -2006

**What is it?**

The Old Dominion University (ODU) Catalogue (2004-2006, p. 14, F) defines plagiarism as follows:

A student will have committed plagiarism if he or she reproduces someone else's work without acknowledging its source; or if a source is cited which the student has not cited or used. Examples of plagiarism include: submitting a research paper obtained from a commercial research service, the Internet, or from another student as if it were original work; making simple changes to borrowed materials while leaving the organization, content, or phraseology intact; or copying material from a source, supplying proper documentation, but leaving out quotation marks. Plagiarism also occurs in a group project if one or more of the members of the group does none of the group's work and participates in none of the group's activities, but attempts to take credit for the work of the group.

**Hints for Avoiding Plagiarism:**

- *More than three words is plagiarism.* This is a good yardstick to use when wondering whether or not quotes are appropriate. They are, if you are copying more than three words in sequence.
- *One source is not "common knowledge."* Common knowledge does not require citation. But something is not common knowledge if you have found just one source for the information.
- *When in doubt, cite!* If you have any doubt about whether or not to cite a source, err on the side of making the attribution.
- *If your co-author sounds surprisingly eloquent, make sure the contribution is their own.* We often work in groups and co-author papers and projects. You should ask the question of your co-author if you doubt the work is their own. In group work, you are responsible for the project/paper in its entirety.
- *Look away.* When you are writing, do not have open books or papers in front of you as you type. Read your sources, and then put what you have read into your own words.
- *Writing is hard work.* Paraphrasing is relatively easy, writing is hard. Learning to be a good writer is part of what your college education is about. Staring at an empty screen in *MS Word* does become less daunting over time!
- *Just because it's on the Internet, doesn't mean it's yours.* The Internet is a fantastic resource and search engines are terrific research tools. But what you find on the Internet was written by someone. You must cite Internet web sites, and if you use a quote, use appropriate quotation procedures.
- *Paraphrasing is more than changing a verb tense or reordering a list.* There is a difference between citing a source for a fact and creating a bad quote.

- *Use a Style Guide.* Purchase a style guide and refer to it. Your teacher may suggest one or look for one at Amazon. Popular and timeless guides are by the American Psychological Association, Strunk and White, and Kate Turabian.

### **The High Cost of Plagiarism**

In your professional career, you will find that reputation is everything. Plagiarism can ruin your reputation and cost you your professional career, along with the respect of your peers and family. Plagiarism at Old Dominion University is an act of academic dishonesty that has serious consequences. Note that plagiarism is specifically covered in the ODU Honor Pledge. Refer to the Student Handbook and Student Affairs for details about sanctions and penalties for this behavior.

### **COURSE OUTLINE**

<b>Topic</b>	<b>Chapters</b>	<b>App. Length</b>
The International Financial Environment	Chs. 1-2	2 classes
Foreign Exchange Theory and Markets	Chs. 4-7	4 classes
Measuring and Managing Foreign Exchange Exposure	Chs. 8-10	4 classes
Managing Multinational Operations	Chs. 20 and 22	2 classes
Financing from a Global Perspective	Chs. 11-13	2 classes
Other topics, (time permitting)		