COURSE NUMBER: IBUS 3301 (CRN: 26570)  
SEMESTER: Spring 2013  
(Mon/Wed: 3:45-5 p.m.)  
Class Room: Government 104

COURSE TITLE: International Business Finance

COURSE DESCRIPTION: Analysis of key international financial management issues and risks faced by businesses operating in global markets. Current developments in international monetary and financial environment, including global financial crisis of 2007-09 and the current eurozone crisis, and discussions of international financial operations of business firms as well as trade financing techniques.

PROFESSOR: Professor Y. S. Park, DBA & PhD.  
Office: Funger Hall 401  
Phone: 202-994-8215  
e-mail: yspark@gwu.edu

OFFICE HOURS: Wednesday 5:00-6:30 p.m. and by appointment.


COURSE OBJECTIVES: The basic objective is to enhance the ability of students to understand the current international financial and monetary environment and to analyze and deal with problems arising in international operations of a firm. The course deals with the theories and practices of international financial management relevant to future practitioners in this field.

ASSIGNMENTS: Prior to each class session, students are expected to complete the required readings for the assigned session as well as thorough preparation of any case to be discussed.

METHOD FOR GRADING:  
Mid-term exam (Wednesday, March 4) 40%  
Final Exam (Monday, May 6) 60%
| Meeting 1: Introduction to the Course  
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| Meeting 2: Key Functions of International Finance Managers  
(Jan. 16) | Chapter 2. |
| Meeting 3: International Monetary System: History and Evolution  
(Jan. 23) | Chapter 3. |
| Meeting 4: Role of Major International Financial Institutions: IMF, IBRD, BIS  
(Jan. 28) | Annual Reports of the IMF, BIS and the World Bank. |
| Meeting 5: Current Exchange Rate Arrangements; SDR and Euro  
(Jan. 30) | Class handouts. |
| Meeting 6: Global Financial Crisis of 2007-09 and Current Eurozone Crisis  
(Feb. 4) | Chapter 5. |
| Meeting 7: Balance of Payments: Definition and Types  
(Feb. 6) | Chapter 4. |
| Meeting 8: Economic Importance of BOP; BOP Exercise  
(Feb. 11) | Class handouts. |
| Meeting 9: Foreign Exchange Rates & Markets  
(Feb. 13) | Chapter 6. |
| Meeting 10: Relationship between Exchange Rates, Interest Rates and Inflation  
(Feb. 20) | Chapter 7. |
Meeting 11: Spot, Forward, Futures & Options; Hedging Against Foreign Exchange Risks (Feb. 25)
Class handouts.

Meeting 12: Exchange Rate Determination (Feb. 27)
Chapter 9.

Meeting 13: Mid-term exam (March 4)

Meeting 14: Regular vs. Synthetic Currency Futures and Their Uses (Mar. 6)
Class handouts.

Meeting 15: Straddles and Strangles (Mar. 18)
Case: The Collapse of Barings

Meeting 16: Currency Swaps: Definition and Evolution (Mar. 20)
Chapter 8.

Meeting 17: Origin and Types of Currency Swaps (Mar. 25)
Class handouts

Meeting 18: Foreign Exchange Exposure Management: Transaction Exposure (Mar. 27)
Chapter 10.

Meeting 19: Foreign Exchange Exposure Management: Translation Exposure (April 1)
Chapter 11.

Meeting 20: International Financial Markets: Overview and Classification (Apr. 3)
Chapter 13.

Meeting 21: Eurobonds; Foreign Bonds; Global Bonds (Apr. 8)
Class handouts.
Meeting 22: Eurocredits and Euroequities  
(Apr. 10)  
Chapter 14.

Meeting 23: International Portfolio Theory  
(Apr. 15)  
Chapter 16.

Meeting 24: Foreign Direct Investments; Country Risks  
(Apr. 17)  
Chapter 17.

Meeting 25: Multinational Capital Budgeting; Financial vs. Economic Rate of Returns  
(Apr. 22)  
Chapter 18.

Meeting 26: Global Working Capital Management  
(Apr. 24)  
Chapter 19.

Meeting 27: Trade Financing; L/C, BAs, Forfaiting and Factoring  
(Apr. 29)  
Chapter 20.

Meeting 28: Challenges and Prospects of International Finance; How To Prepare for Final Exam – Questions & Answers  
(May 1)  
Class handouts.