COURSE NUMBER: IBUS 6301 (CRN: 20266)     SEMESTER: Spring 2013
(Wednesday 7:10-9:40 p.m.)     Class Room: Duques 152

COURSE TITLE: International Business Finance

COURSE DESCRIPTION: Analysis of important international financial management issues and risks faced by businesses operating in global markets. Current developments in international monetary and financial environment, and discussions of international financial operations of business firms as well as trade financing techniques.

PROFESSOR: Professor Y. S. Park, DBA & PhD.
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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 financial 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. Late submission of the term paper is subject to 10% discount.

METHOD FOR GRADING: Term Paper (due on Friday, May 3) 40%
Mid-term exam (Wednesday, February 27) 20%
Final Exam (Wednesday, May 8) 40%
Meeting 1: Introduction to the Course  
(Jan. 16)  
Major topics to be covered in the course; key functions of international finance managers.

Chapters 1 & 2.

Meeting 2: International Monetary and Financial Environment  
(Jan. 23)  
Role of the IMF and its evolution; other international financial institutions.

Chapter 3.  
“The Economic Case for the Asian Monetary Fund”

Meeting 3: Current Exchange Rate Arrangements; European Monetary Union; SDR and Euro; Global Financial Crisis of 2007-09 & Current Eurozone Crisis  
(Jan. 30)  
Chapter 5.

Meeting 4: Balance of Payments: Its Meaning and Uses  
(Feb. 6)  
Chapter 4.  
BOP Exercise (Class handouts)

Meeting 5: Foreign Exchange: Exchange Rates & Markets; Covered Interest Rate Parity; Purchasing Power Parity; and International Fisher Effect  
(Feb. 13)  
Chapters 6 and 7.

Meeting 6: Spot, Forward, Futures & Options; Hedging Against Foreign Exchange Risks; Exchange Rate Determination  
(Feb. 20)  
Chapter 9.

Meeting 7: Mid-term exam  
(Feb 27)
Meeting 8: Synthetic Currency Futures; Straddles and Strangles  
(Mar. 6)  
*Case: The Collapse of Barings*  
Class handouts.

Meeting 9: Currency Swaps: Overview of Financial Swaps; Origin of the Currency Swaps, and Types of Currency Swaps  
(Mar. 20)  
Chapter 8.
Class handouts.

Meeting 10: Foreign Exchange Exposure Management; Translation Methods  
(Mar. 27)  
Chapters 10, 11 and 12.

Meeting 11: International Financial Markets: Overview  
(Apr. 3)  
Chapter 13.

Meeting 12: Eurobonds; Eurocredits; Euronotes; Global bonds; Foreign bonds; Euroequities  
(Apr. 10)  
Chapter 14.

Meeting 13: International Portfolio Theory; Foreign Direct Investments; Financial and Economic IRRs; Country Risks  
(Apr. 17)  
Chapters 16, 17 and 18.

Meeting 14: Trade Financing; Forfaiting and Factoring; Global Working Capital Management  
(Apr. 24)  
Chapters 19 and 20.