COURSE NUMBER: IBUS 6301-10 (CRN: 90257)  SEMESTER: Spring 2014
(Monday 7:10-9:40 p.m.)  Class Room: Duques 152

COURSE TITLE: International Business Finance

COURSE DESCRIPTION: Analysis of major international financial management issues and financial risks faced by businesses operating in global markets. Current developments in global monetary and financial environment, and discussions of international financial operations of business firms as well as key foreign investment and 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: Monday 6-7 p.m. & Wednesday 2-3 p.m. and by appointment.


COURSE OBJECTIVES: The basic objective is to enhance the ability of students to understand the current global financial and monetary environment and to analyze various 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.

METHOD FOR GRADING: Take-home test (answers due on Monday, February 24)  20%
Mid-term exam (Monday, March 24)  30%
Final Exam (Monday, May 5)  50%
Meeting 1: Introduction to the Course  
(Jan. 13)  
Major topics to be covered in the course; key functions of international finance managers.  
Chapters 1 & 2.

Meeting 2: International Monetary and Financial Environment  
Exchange Rate Regimes; European Monetary Union; SDR and Euro  
(Jan. 27)  
Role of the IMF and its evolution; other international financial institutions-IBRD & BIS.  
Chapter 3.  
“The Economic Case for the Asian Monetary Fund”

Meeting 3: Global Financial Crisis of 2008-09 & Current Eurozone Crisis  
(Feb. 3)  
Chapter 5.

Meeting 4: Balance of Payments: Its Meaning and Uses  
(Feb. 10)  
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. 24)  
Chapters 6 and 7.

Meeting 6: Spot, Forward, Futures & Options; Hedging Against Foreign Exchange Risks; Exchange Rate Determination  
(Mar. 3)  
Chapters 8 and 9.

Meeting 7: Synthetic Currency Futures; Straddles and Strangles  
(Mar. 17)  
Case: The Collapse of Barings  
Class handouts.
Meeting 8: Mid-term exam  
(Mar. 24)

Meeting 9: Currency Swaps: Overview of Financial Swaps; Origin of the Currency Swaps, and Types of Currency Swaps  
(Mar. 31)  
Chapter 8.  
Class handouts.

Meeting 10: Foreign Exchange Exposure Management; Translation Methods  
(Apr. 7)  
Chapters 10, 11 and 12.

Meeting 11: Overview of International Financial Markets; Eurodollars & Eurocurrencies  
(Apr. 14)  
Chapters 1 & 13.

Meeting 12: Eurocredits; Euronotes; Eurobonds; Global bonds; Foreign bonds; Euroequities  
(Apr. 21)  
Chapter 14.

Meeting 13: International Portfolio Theory; Foreign Direct Investments; Financial and Economic IRRs; Country Risks  
(Apr. 28)  
Chapters 16, 17 and 18.

Meeting 14: Trade Financing; Forfaiting and Factoring; Global Working Capital Management  
(Apr. 30)  
Chapters 19 and 20.