COURSE NUMBER: IBUS 3101-10 (CRN: 76830)  SEMESTER: Spring 2016
(Mon/Wed: 2:20-3:35 p.m.)  Class Room: Duques 254

COURSE TITLE: Global Financial Environment

COURSE DESCRIPTION: To assess the international economic, trade and financial environment in which global business firms operate and to discuss the latest developments in the international monetary and financial system. The course is to provide BBA students with basic tools in assessing global financial issues as they affect international business operations.

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


COURSE OBJECTIVES: The basic objective is to enhance the ability of students to understand the current international economic and monetary issues and to analyze the financial problems arising in international operations of a firm. The course deals with the theories and practices of international economy, trade and finance relevant for future practitioners in global business.

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 Monday, February 8) 20%
Mid-term exam (Wednesday, March 9) 30%
Final Exam (Monday, May 2, to be confirmed later) 50%
Meeting 1: Introduction to the Course; World Trade and Global Economy
(1/11)
Chapter 1.

Meeting 2: Major Developments in the Current International Monetary and Financial Environment
(1/13)
Class handouts.

Meeting 3: Role of the IMF and Other International Economic Institutions
(1/20)
Chapter 2.

Meeting 4: Gains from International Trade: Why Nations Trade
(1/25)
Chapter 3.

Meeting 5: Comparative Advantage and Factor Endowments
(1/27)
Chapter 4.

Meeting 6: Government Intervention in Trade: Tariffs & Non-tariff Barriers
(2/1)
Chapter 6.

Meeting 7: Global Trade Rounds vs. NAFTA and Other Regional Trade Agreements
(2/3)
Chapter 13.
Case Study: The Uruguay and Doha Rounds (Chapter 6)

*Take-home test questions made available.*

Meeting 8: Trade Financing Methods
(2/8)
Class handouts.

*Take-home test answers due (in hard copy only; no electronic answers)*

Meeting 9: Balance of Payments and its Implications for the National Economy
(2/10)
Chapter 9.
Meeting 10: Monetary and Fiscal Policies for BOP Equilibrium
(2/17)
Chapter 11.

Meeting 11: Foreign Direct Investments and Country Risk
(2/22)
Class handouts.

Meeting 12: Bretton Wood System and the Current Exchange Rate Arrangements
(2/24)
Class handouts.

Meeting 13: Exchange Rates: Their Implications for the Economy
(2/29)
Chapter 10.

Meeting 14: Foreign Exchange Markets: Introduction
(3/2)
Class handouts.

Meeting 15: Spot vs. Forward Foreign Exchange Markets
(3/7)
Class handouts.

Meeting 16: Midterm Exam
(3/9)

Meeting 17: Brief Introduction to Foreign Exchange Derivatives
(3/21)
Class handouts.

Meeting 18: Major International Financial Crises: Causes and Implications
(3/23)
Case Study: The Mexican Peso Crisis of 1994 and 1995
Chapter 12.

Meeting 19: Global Financial Crisis of 2007-08
(3/28)
Class handouts.
Meeting 20: LDC Debt Crisis of 1980s
(3/30)
Chapter 15.

Meeting 21: Path towards the European Union
(4/4)
Chapter 14.

Meeting 22: European Monetary Union and Creation of the Euro
(4/6)
Class handouts.

Meeting 23: Eurozone Financial Crisis: Causes and Policy Measures
(4/11)
Class handouts.

Meeting 24: World Reserve Currencies: US$, Euro and SDR
(4/13)
Class handouts.

Meeting 25: Different Economic Development Model: Latin America vs. East Asia
(4/18)
Chapters 15 and 16.

Meeting 26: BRIC Countries in the World Economy; Potential of BRIC Development Bank and Asia Infrastructure Investment Bank
(4/20)
Chapter 17 and class handouts.

Meeting 27: Role and Prospects for the World Bank and Other Regional Development Banks
(4/25)
Class handouts.

Meeting 28: Chinese Renminbi’s Rising International Role
(4/27)
Class handouts.