George Washington University

School of Business

Course Syllabus

COURSE NUMBER: IBUS 3301-10 (CRN: 13640)  SEMESTER: Fall 2016
(Mon/Wed: 2:20-3:35 p.m.)  Class Room: Duques 251

COURSE TITLE: International Business Finance

COURSE DESCRIPTION: Analysis of key international financial management issues and financial 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 eurozone crisis, and discussions of international trade financing techniques.

PROFESSOR: Professor Y. S. Park, DBA & PhD.
Office: Funger Hall 401 (Dept of Int’l Business)
Phone: 202-994-8215
e-mail: yspark@gwu.edu

OFFICE HOURS: Wednesday 4-6 p.m., and also by appointment.


COURSE OBJECTIVES: The basic objective is to enhance the ability of students to understand the current international financial 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 financial management relevant for 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 Monday, September 26) 20%
- Mid-term exam (Wednesday, October 26) 30%
- Final Exam (Wednesday, December 14) 50%

ACADEMIC INTEGRITY:
The code of academic integrity applies to all courses in the George Washington School of Business. Please become familiar with the code. All students are expected to maintain the highest level of academic integrity throughout the course of the semester. Please note that acts of academic dishonesty during the course will be prosecuted and harsh penalties may be sought for such acts. Students are responsible for knowing what acts constitute academic dishonesty. The code may be found at: [http://www.gwu.edu/~ntegrity/code.html](http://www.gwu.edu/~ntegrity/code.html)

UNIVERSITY POLICIES:

Religious Accommodation

Students should notify faculty during the first week of the semester of their intention to be absent from class on their day(s) of religious observance. Faculty should extend to these students the courtesy of absence without penalty on such occasions, including permission to make up examinations. Faculty who intend to observe a religious holiday should arrange at the beginning of the semester to reschedule missed classes or to make other provisions for their course-related activities.

Disability Support Services (DSS)

Any student who may need an accommodation based on the potential impact of a disability should contact the Disability Support Services office at 202-994-8250 in the Rome Hall, Suite 102, to establish eligibility and to coordinate reasonable accommodations. For additional information please refer to: [gwired.gwu.edu/dss/](http://gwired.gwu.edu/dss/)

Mental Health Services 202-994-5300

The University’s Mental Health Services offers 24/7 assistance and referral to address students’ personal, social, career, and study skills problems. Services for students include: crisis and emergency mental health consultations confidential assessment, counseling services (individual and small group), and referrals. [Counselingcenter.gwu.edu/](http://Counselingcenter.gwu.edu/)
Meeting 1: Introduction to the Course  
(8/29)  
Current global economic and financial issues and challenges.  
International finance in the world economy.  

*Wall Street Journal* and *Financial Times*, during the week of 8/22 through 8/27.

Meeting 2: Key Functions of International Finance Managers  
(8/31)  
Chapter 1.

Meeting 3: International Monetary System: Evolution and Current Issues  
(9/7)  
Chapter 2.

Meeting 4: Role of Major International Financial Institutions: IMF, IBRD, BIS  
(9/12)  
Annual Reports of the IMF, BIS and the World Bank.

Meeting 5: SDRs and Euro  
(9/14)  
Class handouts.

Meeting 6: Global Financial Crisis of 2007-09 and Current Eurozone Crisis  
(9/19)  
Class handouts.

Meeting 7: Balance of Payments: Definition and Business Implications  
(9/21)  
Chapter 3.  

*Take-home test questions made available.*

Meeting 8: Economic Importance of BOP; BOP Exercise  
(9/26)  
Class handout (US BOP Tables).  

*Take-home test answers due (only in hard copy, not electronic version)*

Meeting 9: Foreign Exchange Rates & Markets  
(9/28)  
Chapter 5.
<table>
<thead>
<tr>
<th>Meeting 10: (10/3)</th>
<th>Relationship between Exchange Rates, Interest Rates and Inflation</th>
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<tbody>
<tr>
<td>Chapter 6.</td>
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<td>Meeting 11: (10/5)</td>
<td>Spot, Forward, Futures &amp; Options; Hedging Against Foreign Exchange Risks</td>
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<td>Chapter 7.</td>
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<td>Meeting 12: (10/10)</td>
<td>Exchange Rate Determination</td>
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<td>Chapter 9.</td>
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<td>Meeting 13: (10/12)</td>
<td>Regular vs. Synthetic Currency Futures and Their Uses</td>
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<td>Chapter 7.</td>
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<td>Meeting 14: (10/17)</td>
<td>Straddles and Strangles</td>
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<td>Case: The Collapse of Barings</td>
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<td>Meeting 15: (10/19)</td>
<td>Currency and Interest Rate Swaps: Definition and Evolution</td>
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<td>Chapter 8.</td>
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<td>Meeting 16: (10/26)</td>
<td>Mid-term exam</td>
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<td>Meeting 17: (10/31)</td>
<td>Origin and Types of Currency Swaps</td>
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<td>Class handouts</td>
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<td>Meeting 18: (11/2)</td>
<td>Foreign Exchange Exposure Management: Transaction &amp; Operating Exposure</td>
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<td>Chapters 10 &amp; 12.</td>
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<td>Meeting 19: (11/7)</td>
<td>Foreign Exchange Exposure Management: Translation Exposure</td>
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<td>Chapter 11.</td>
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<td>Meeting 20: (11/9)</td>
<td>International Financial Markets: Overview and Classification; Eurocurrencies</td>
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<td>Chapter 13.</td>
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Meeting 21: International Syndicated Bank Loans: Eurocredits  
(11/14)  
Chapter 14.

Meeting 22: International Bond Markets: Eurobonds; Foreign Bonds; Global Bonds  
(11/16)  
Class handouts.

Meeting 23: Global Equities: ADRs, GDRs & IDR  
(11/21)  
Chapter 14.

Meeting 24: Foreign Direct Investments; Country Risks  
(11/28)  
Chapter 17.

Meeting 25: Multinational Capital Budgeting; Financial vs. Economic Rate of Returns  
(11/30)  
Chapter 18.

Meeting 26: Trade Financing: L/C and BA  
(12/5)  
Chapter 16.

Meeting 27: Trade Financing: Forfaiting and Factoring  
(12/7)  
Chapter 16.

Meeting 28: Recent Developments in International Finance: Brexit & Implications  
(12/12)  
Class handouts.

**FINAL EXAM:** December 14 (To be confirmed later by GW Scheduling Office)  
In accordance with university policy, the final exam will be given during the final exam period and not the last week of the semester.