CARLETON UNIVERSITY, SPROTT SCHOOL OF BUSINESS
COURSE NUMBER: BUSI 4504; SECTION B; INTERNATIONAL FINANCE
ACADEMIC YEAR: 2015/2016; TERM: WINTER

Instructor: Dr. Samuel Asiedu, CFA, CPA, CMA
Office: DT 1009
Office Hours: Wednesdays – 4:40pm to 5:40pm
Email: samuel.asiedu@carleton.ca
Phone Number: 613-520-2600 ext. 2287
Class Room: Tory Building 447

Course meets: Wednesdays 6:05PM to 8:55PM

Pre-requisites & Precluded Courses:
Prerequisite(s): BUSI 3500, BUSI 3502, BUSI 3512 with a grade of C- or higher in each, and STAT 2607 with a grade of C- or higher. Precludes additional credit for BUSI 3504 (no longer offered).

Course Calendar Description from the 2015/2016 University Calendar:
Management of corporate finance as it is affected by the requirements of international business. Issues related to international acquisitions, global investments, volatile exchange rates and hedging techniques. Role of international markets in financing corporate activity.

Course Description and Objectives:
The purpose of this course is to do the following:
a) Convey concepts fundamental to an understanding of the finance function in multinational enterprises; and,
b) Illustrate the types of problems that financial executives face in multinational enterprises, and some of the analytical tools available for the solution of these problems.

The course is mainly lecture-based, complemented by two course deliverables – a presentation on a country to be approved by the instructor, and a presentation on a multinational enterprise, also approved by the instructor. The lectures will be augmented by (i) in-class discussion of current international finance issues (ii) in-class case reviews and discussion.

Reading(s)/Textbook(s):

Course Requirements & Methods of Evaluation:
<table>
<thead>
<tr>
<th>Required</th>
<th>Type</th>
<th>Date</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation 1</td>
<td>In-class Participation and Case Discussion</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Evaluation 2</td>
<td>Quiz 1</td>
<td>Jan 27</td>
<td>7.5%</td>
</tr>
<tr>
<td>Evaluation 3</td>
<td>Country Presentation</td>
<td>Feb 10</td>
<td>15%</td>
</tr>
<tr>
<td>Evaluation 4</td>
<td>Quiz 2</td>
<td>Mar 9</td>
<td>7.5%</td>
</tr>
<tr>
<td>Evaluation 5</td>
<td>MNE Presentation</td>
<td>Mar 30</td>
<td>20%</td>
</tr>
<tr>
<td>Evaluation 6</td>
<td>Final Examination</td>
<td>TBD</td>
<td>40%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

All course material, including content from the country presentations and MNE presentations, is eligible for testing on the final exam.

**Course Components**

**Current International Finance Issue/Topic of the Week**

Each student will come to class ready to discuss at least one international finance topic of the week, gleaned from any of the various news sources (see below). In preparing for the discussion of the topical issue, students must be ready to orally (i) describe briefly the key components of topical issue (ii) itemize the key implication(s) of the issue (iii) state your personal opinions and conclusions you can draw from the topical issue.

**Case Reviews and Discussion**

The Case or Mini-case for the respective week will be identified by the Instructor, where appropriate, and must be read prior to coming to the class. In preparation for the discussion of the case, students must be ready to orally (i) state the facts of the case (ii) discuss response to the questions accompanying the case (iii) articulate their personal opinion of the application of the concepts of the Course to the Case.

**Group Presentation Topic Selection**

To ensure no repetition of topics, the course instructor will approve all presentation topics. Accordingly, please constitute your group which must comprise not more than 6 members. Select the Country and the MNE and deliver your selection to the instructor no later than **January 13, 2016**. Each group should identify three alternative topics for the two presentations, in order of preference. The purpose of this is to provide alternatives in case two or more groups choose the same topic.

**Group Country Presentation**

Prepare and deliver a presentation, strictly limited to 15 minutes, on the history, status and prospects of a country’s currency. The presentation is to consider the following:

a) A brief description of the country and its economy, including key industries and products;

b) The key political and economic events that affected the currency over the last one hundred years;
c) Current key macroeconomic indicators (e.g. money supply growth, fiscal spending, deficits, balance of payments, national debt, GDP per capital, Balance of Payment, and productivity, quality of life and corruption perceptions);
d) Current fiscal and monetary policy, and monetary systems;
e) Comment on how well the country has managed its currency, including the history of the devaluation of the currency, including major currency crisis;
f) Whether or not the country is of interest to an MNE – e.g. as a source of supply, a market, a manufacturing location;
g) The nature and influence of the foreign exchange market in the country of choice; and,
h) Impossible trinity policy choices of the country.
i) Translation exposure methods adopted by the country.
j) Concluding comments.

The country selected must be foreign (i.e., excluding Canada and the USA). Please use the concepts presented in the book and in class to support your discussion. The deliverable is a soft copy of the presentation to be emailed to the course instructor before class on the day of the presentation and a hard copy of the presentation to be handed in at the time of the presentation. Please include the country name, course number and year in the file name (e.g. Singapore 4504B Winter 2016.ppt).

Quizzes
Students are required to take two multiple choice quizzes, each representing 10% of the total marks for the course. The quizzes will be taken at the start of the class. Please refer to the Course Schedule below or the Course Requirements & Methods of Evaluation above, for the respective date of the quiz.

Group MNE Presentation
Prepare and deliver a presentation, strictly limited to 15 minutes, on the history, status and prospects of a Multi-National Enterprise (“MNE”). The presentation is to consider the following:

a) A brief description of the company with particular emphasis on the products or services it delivers and its comparative advantage – what does it do well compared to its competitors;
b) The extent to which it is international – maps of locations work well here;
c) What motivated it to become a multinational enterprise – specifically which comparative advantages was it seeking to exploit;
d) Challenges and difficulties the company has faced or currently faces because of its internationalization – political risk, competition risk etc.;
e) The company’s response to controlling, adapting or managing its challenges and difficulties;
f) The supply chain network the MNE uses;
g) The primary and secondary sources of financing the MNE currently uses;
h) Recent mergers and acquisitions activities the MNE has engaged in;
i) Whether or not becoming an MNE has been beneficial for the company expressed in both strategic and financial terms; and,
j) Full financial review (last three years) of the MNE you have selected, discussing the sources of capital it uses to finance its activities worldwide.

k) The competitive strategy it is using to become a winner in the space it operates.

l) Its capital market performance in terms of its stocks and debt instruments being used.

m) What foreign exchange risks it is dealing with, and the risk management strategies it has adopted to address those risks in the short and long term horizon.

n) Concluding comments.

The company must be foreign. For the purposes of this course a country is foreign if its main shares listing are not the TSE or an American exchange and its head office is outside Canada or the US. Please use the concepts presented in the book and in class to support your discussion. The deliverable is a soft copy of the presentation to be e-mailed to the course instructor before class on the day of the presentation and a hard copy of the presentation to be handed in at the time of the presentation.

After the Country Presentation, your group will be identified by its country name. Accordingly, please use a file name following this example: Singapore Sony 4504B Winter 2016.ppt.

**General Comments on Presentations**

The presentation marks will be divided approximately into 70% for content and answers to questions on the presentation, and 30% for presentation skills. Your content mark will depend on the quality of your facts and explanations. Your presentation mark will depend on the quality of your presentation and your adherence to the following:

a) Each group member must speak in the presentation.

b) The presentation must be completed within the specified time limit. If it isn’t, you will be asked to end your presentation and your presentation mark may be adjusted downwards.

c) Your presentation mark will depend on the clarity of your overheads and comments, whether or not you are convincing in your arguments, and whether the story you tell is interesting.

d) There will be spot question(s) to the entire team, based on the content of the presentation.

**In-Class Participation**

This is based not only on class attendance, (attending each class and arriving on time and staying for the entire class) but also value-added contribution to in-class discussion such as provision of relevant examples or opinions on topics being discussed or answering instructor’s questions.

**Quizzes & Presentations**

There will be no make-up Quizzes and Presentations. Students who miss Quizzes and Presentations will receive zero marks. In the event a student cannot participate in class, complete the quiz or complete a course deliverable for a reason permitted under the university’s guidelines, the weighting of the course component will be added to the
weighting of the final exam, provided the student submits the appropriate supporting documentation (e.g. doctor’s note).

**Final Examination**
The Final Examination will cover the entire course topics, including case discussions. Students who miss the Final Examination must apply for possible deferred examination privileges.

**Recommended International Finance News Resources**
The Institute of International Finance (IIF)
International Finance Magazine
Global Market News - Reuters
CNBC – Market Insider
McKinsey – Global Capital Markets
Commentary from the Federal Reserve System
Commentary from the Bank of Canada
LCD Global Research Market Commentary
The Securities Industry and Financial Markets Association (SIFMA)
Global Financial Markets Association (GFMA)
National Post
Globe and Mail
The Economist
The Wall Street Journal
The Financial Times
Bloomberg News
The Economist
Course Schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics</th>
<th>Chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Jan 6</td>
<td><strong>Global Financial Environment Part I</strong>&lt;br&gt;Current Multinational Challenges and the Global Economy&lt;br&gt;Corporate Ownership, Goals and Governance</td>
<td>1 2</td>
</tr>
<tr>
<td>2 Jan 13</td>
<td><strong>Global Financial Environment Part II</strong>&lt;br&gt;The International Monetary System&lt;br&gt;The Continuing Global Financial Crisis</td>
<td>3 5</td>
</tr>
<tr>
<td>3 Jan 20</td>
<td><strong>Foreign Exchange Theory and Markets Part I</strong>&lt;br&gt;The Foreign Exchange Market&lt;br&gt;Foreign Currency Derivatives and Swaps&lt;br&gt;Topic selection form due at beginning of class</td>
<td>6 8</td>
</tr>
<tr>
<td>4 Jan 27</td>
<td><strong>Foreign Exchange Theory and Markets Part II</strong>&lt;br&gt;International Parity Conditions&lt;br&gt;Foreign Exchange Rate Determination and Forecasting&lt;br&gt;First Quiz</td>
<td>7 9</td>
</tr>
<tr>
<td>5 Feb 3</td>
<td><strong>Foreign Exchange Exposure Part I</strong>&lt;br&gt;Transaction Exposure&lt;br&gt;Translation Exposure</td>
<td>10 11</td>
</tr>
<tr>
<td>6 Feb 10</td>
<td><strong>Group Country Presentation</strong></td>
<td></td>
</tr>
<tr>
<td>6 Feb 17</td>
<td>Winter Break</td>
<td></td>
</tr>
<tr>
<td>7 Feb 24</td>
<td><strong>Foreign Exchange Exposure Part II</strong>&lt;br&gt;Operating Exposure&lt;br&gt;<strong>Financing the Global Firm Part I</strong>&lt;br&gt;The Global Cost and Availability of Capital</td>
<td>12 13</td>
</tr>
<tr>
<td>8 Mar 2</td>
<td><strong>Financing the Global Firm Part II</strong>&lt;br&gt;Raising Equity Sourcing and Debt Globally&lt;br&gt;Multinational Tax Management</td>
<td>14 15</td>
</tr>
<tr>
<td>9 Mar 9</td>
<td><strong>Foreign Investment Decisions Part I</strong>&lt;br&gt;International Portfolio Theory and Diversification&lt;br&gt;Foreign Direct Investment and Political Risk&lt;br&gt;Second Quiz</td>
<td>16 17</td>
</tr>
<tr>
<td>10 Mar 16</td>
<td><strong>Foreign Investment Decisions Part II</strong>&lt;br&gt;Multinational Capital Budgeting and Cross-Border Acquisition&lt;br&gt;The Balance of Payments</td>
<td>18 4</td>
</tr>
<tr>
<td>11 Mar 23</td>
<td><strong>Managing Multinational Operations</strong>&lt;br&gt;Working Capital Management&lt;br&gt;International Trade Finance</td>
<td>19 20</td>
</tr>
<tr>
<td>12 Mar 30</td>
<td><strong>Group MNE Presentation</strong></td>
<td></td>
</tr>
</tbody>
</table>
FND:

To reduce instances of miscommunication Carleton introduced a grade FND (Failure with No Deferral) to be assigned to students who fail to meet the minimum in-term performance standards explicitly set out in the outline and applied consistently (i.e., there is no other hidden criteria).

Satisfactory In-term Performance

1. Unless otherwise stated below in item #2, the requirement for Satisfactory In-term Performance is set at 50% of all, not each, pre-final term work (i.e. assignments, participation marks, tests etc.).
2. The criterion/criteria and the standard(s) for Satisfactory In-term Performance are as follow(s):
   a. <insert list here if applicable>
3. Unsatisfactory In-term Performance in this course will lead to failure in this course (regardless of the performance at the Final exam or final project)
   ✓ Yes   No
4. FND grade in this course (in case of missed Final exam or project)
   ✓ No   Yes
ADDITIONAL INFORMATION

Course Sharing Websites
Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Required calculator in BUSI course examinations
If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work
The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

- A+ = 90-100
- B+ = 77-79
- C+ = 67-69
- D+ = 57-59
- A = 85-89
- B = 73-76
- C = 63-66
- D = 53-56
- A- = 80-84
- B- = 70-72
- C- = 60-62
- D- = 50-52
- F = Below 50
- WDN = Withdrawn from the course
- ABS = Student absent from final exam
- DEF = Deferred (See above)
- FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

Academic Regulations, Accommodations, Etc.
University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university’s website, here: http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/
Requests for Academic Accommodations

For Students with Disabilities:
The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2015 exam period is November 6, 2015 and for the April 2016 exam period is March 6, 2016.

For Religious Obligations:
Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.
Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.
Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton’s Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

For Pregnancy:
Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity
Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include; a grade of Failure in the submitted work and/or course; academic probation; a refusal of permission
to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: [http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/](http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/).

**Sprott Student Services**
The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you’re having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! [http://sprott.carleton.ca/students/undergraduate/support-services/](http://sprott.carleton.ca/students/undergraduate/support-services/)

Be in the know with what’s happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.

**Important Information:**
- Students must always retain a hard copy of all work that is submitted.
- All final grades are subject to the Dean’s approval.
- For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, it would be easier to respond to your inquiries if you would send all email from your Carleton account. If you do not have or have yet to activate this account, you may wish to do so by visiting [http://carleton.ca/ccs/students/](http://carleton.ca/ccs/students/)

<table>
<thead>
<tr>
<th>IMPORTANT DATES AND DEADLINES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January 4</strong></td>
</tr>
<tr>
<td>University reopens</td>
</tr>
<tr>
<td><strong>January 6</strong></td>
</tr>
<tr>
<td>Winter-term classes begin.</td>
</tr>
<tr>
<td><strong>January 19</strong></td>
</tr>
<tr>
<td>Last day for registration for winter term courses.</td>
</tr>
<tr>
<td>Last day to change courses or sections (including auditing) for winter term courses.</td>
</tr>
<tr>
<td>Students who have not deposited (via automated upload) the final copy of their thesis to the office of the Faculty of Graduate and Postdoctoral Affairs must register.</td>
</tr>
<tr>
<td><strong>January 31</strong></td>
</tr>
<tr>
<td>Last day for a <strong>fee adjustment</strong> when withdrawing from Winter term courses or the Winter portion of two-term courses. Withdrawals after this date will create no financial change to Winter term fees (financial withdrawal).</td>
</tr>
<tr>
<td><strong>February 12</strong></td>
</tr>
<tr>
<td>April examination schedule available online.</td>
</tr>
</tbody>
</table>
February 12-20
Fall-term deferred examinations will be held.

February 15
Statutory holiday. University closed.

February 15-19
Winter Break. Classes are suspended.

March 1
Last day for UHIP refund applications for International Students who will be graduating this academic year.
Last day for receipt of applications from potential spring (June) graduates.

March 6
Last day to submit Formal Examination Accommodation Forms to the Paul Menton Centre for Students with Disabilities for April examinations.

March 24
Last day to pay any remaining balance on your Student Account to avoid a hold on access to marks through Carleton Central and the release of transcripts and other official documents. An account balance may delay Summer 2016 course selection.

Last day for tests or examinations in courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

March 25
Statutory holiday, University closed.

April 1, 2016
Last day for receipt of applications for admission to an undergraduate program for the fall/winter session, from candidates whose documents originate outside Canada or the United States, except for applications due February 1 or March 1.

April 8
Winter term ends.

Last day of fall/winter and winter-term classes.
Last day for academic withdrawal from fall/winter and winter term courses.
Last day for handing in term work and the last day that can be specified by a course instructor as a due date for term work for fall/winter and winter-term courses.

April 9-10
No classes or examinations take place
April 11-23
Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all 7 days of the week.

April 15, 2016
Winter Co-op Work Term Reports are due.

April 23, 2016
All take home examinations are due on this day.

June 6-16
Fall/winter and winter term deferred final examinations will be held.