



**CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
COURSE NUMBER: BUSI 4504 /SECTION: A
ACADEMIC YEAR: 2019/2020 /TERM: FALL
TITLE: INTERNATIONAL FINANCE**

Instructor: Dr. Samuel Asiedu, CFA, CPA, CMA
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Course meets: Wednesdays from 6:05pm to 8:55pm

Pre-requisites & precluded Courses:

Prerequisite(s): BUSI 2505 with a grade of C- or higher. Precludes additional credit for BUSI 3504 (no longer offered) and BUSI 3505 (no longer offered).

Course Calendar description from the 2019/2020 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:

The purpose of this course is to do the following:

- a) Convey concepts fundamental to an understanding of the finance function in multi-national 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 Multi-National Enterprise (“MNE”), 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)/Required Materials:

Textbook (required): Multinational Business Finance, D.K. Eiteman, A.I. Stonehill and M.H. Moffett, 15th edition, 2019, Prentice Hall. ISBN-13: 978-0-13-479655-0.

Course Requirements & Methods of Evaluation (including due dates):

Required	Type	Date	Marks
Evaluation 2	Quiz 1	Oct 2	10%
Evaluation 3	Country Presentation	Oct 30	15%
Evaluation 4	Quiz 2	Nov 6	10%
Evaluation 5	Quiz 3	Nov 27	10%
Evaluation 5	MNE Presentation	Dec 4	15%
Evaluation 6	Final Examination	TBD	40%
Total			100%

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

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 5 members. Select the Country and the MNE and deliver your selection to the instructor no later than **September 25, 2019**. 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 4504A Fall 2019.ppt).

Quizzes

Students are required to take three 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 company is deemed foreign if its main share listings are not the Toronto Stock Exchange, the NYSE, the NASDAQ 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 4504A Fall 2019.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 presentation slides 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:

	Date	Topics	Chapters
1	Sept 11	Global Financial Environment - Part I Multinational Financial Management: Opportunities and Challenges International Monetary System	1 2
2	Sept 18	Global Financial Environment - Part II The Balance of Payment Financial Goals and Corporate Governance	3 4
3	Sept 25	Foreign Exchange Theory and Markets Part I The Foreign Exchange Market International Parity Conditions Topic selection form due at beginning of class	5 6
5	Oct 2	Foreign Exchange Theory and Markets - Part II Foreign Currency Derivatives: Futures and Options First Quiz	7
6	Oct 9	Foreign Exchange Theory and Markets - Part III Interest Rate Risk and Swaps Foreign Exchange Rate Determination and Forecasting	8 9
7	Oct 16	Foreign Exchange Exposure - Part I Transaction Exposure Translation Exposure	10 11
	Oct 23	Fall Break – No Classes	
8	Oct 30	Group Country Presentation	
9	Nov 6	Foreign Exchange Exposure - Part II Operating Exposure Financing the Global Firm - Part I The Global Cost and Availability of Capital Second Quiz	12 13
10	Nov 13	Financing the Global Firm - Part II Funding the Multinational Firm	14
9	Nov 20	Financing the Global Firm - Part III Multinational Tax Management International Trade Finance	15 16
10	Nov 27	Foreign Investments and Investment Analysis Foreign Direct Investment and Political Risk Multinational Capital Budgeting and Cross-Border Acquisition Third Quiz	17 18
12	Dec 4	Group MNE Presentation	

ADDITIONAL INFORMATION

Course Sharing Websites

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			

Grades entered by Registrar:

WDN = Withdrawn from the course

DEF = Deferred

Academic Regulations

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 Accommodation

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website:

carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website:

carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Academic Accommodations for Students with Disabilities

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC 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 your instructor as soon as possible to ensure accommodation arrangements are made. carleton.ca/pmc

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist.

<https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline

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 on 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: <https://carleton.ca/registrar/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 are 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/learning-support/>

Centre for Student Academic Support

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: carleton.ca/csas.

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, in order to respond to your inquiries, please send all email from your Carleton CMail 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/>

FALL TERM 2019

August 29, 2019	Deadline for course outlines to be made available to students registered in fall and fall/winter term courses.
September 1, 2019	Last day for receipt of applications from potential fall (November) graduates.
September 2, 2019	Statutory holiday. University closed.
September 3, 2019	Academic orientation (undergraduate and graduate students).
	Orientation for new Teaching Assistants.
	All students are expected to be on campus. Class and laboratory preparations, departmental introductions for students and other academic preparation activities will be held.
September 4, 2019	Fall term begins. Fall and fall/winter classes begin.
September 13-15, 2019	Full and late summer term deferred final examinations to be held.
September 17, 2019	Last day of registration for fall term and fall/winter courses.

	Last day to change courses or sections (including auditing) for fall term and fall/winter courses.
	Graduate students who have not electronically submitted their final thesis copy to the Faculty of Graduate and Postdoctoral Affairs will not be eligible to graduate in fall 2019 and must register for the fall 2019 term.
September 30, 2019	Last day to withdraw from fall term and fall/winter courses with a full fee adjustment. Withdrawals after this date will result in a permanent notation of WDN on the official transcript.
October 11, 2019	December examination schedule (fall term final and fall/winter mid-terms) available online.
October 14, 2019	Statutory holiday. University closed.
October 15, 2019	Last day for receipt of applications for admission to an undergraduate degree program for the winter term from applicants whose documents originate from outside Canada or the United States.
October 21-25, 2019	Fall break, no classes.
November 8, 2019	Last day to request Formal Examination Accommodation Forms for December examinations to the Paul Menton Centre for Students with Disabilities. Note that it may not be possible to fulfil accommodation requests received after the specified deadlines.
November 15, 2019	Last day for receipt of applications for admission to an undergraduate degree program for the winter term.
November 22, 2019	Last day for summative tests or examinations - or for formative and/or practical tests or examinations totaling more than 15% of the final grade - before the official examination period (see examinations regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar).
December 1, 2019	Last day for receipt of applications from potential winter (February) graduates.
	Last day for graduate students to submit their supervisor-approved thesis in examinable form to the department.
December 6, 2019	Fall term ends.
	Last day of fall term classes.
	Classes follow a Monday schedule.
	Last day for take-home examinations to be assigned, with the exception of those conforming to the examinations regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar.
	Last day for academic withdrawal from fall 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 term courses.
	Last day for receipt of applications for undergraduate degree program transfers for winter term.

December 7-8, 2019	No classes or examinations take place.
December 9-21, 2019	Final examinations in fall term courses and mid-term examinations in fall/winter courses may be held.
	Examinations are normally held all seven days of the week.
December 21, 2019	All take-home examinations are due on this day, with the exception of those conforming to the examinations regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar.
December 25 through January 1, 2020 (inclusive)	University closed.
