



**BUSI 4504B**  
**International Finance**  
**Winter 2014**

INSTRUCTOR	Samuel Asiedu	PHONE	613-520-2600 ext. TBD
CLASS TIME	Wednesdays 6:00PM to 9:00PM	E-MAIL	<a href="mailto:Samuel.Asiedu@carleton.ca">Samuel.Asiedu@carleton.ca</a>
ROOM:	TB 238	OFFICE	TBD

**PREREQUISITES**

Precludes additional credit for [BUSI 3504](#) (no longer offered).

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.

**The School of Business enforces all prerequisites.**

**COURSE OBJECTIVES**

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, augmented by three course deliverables – a presentation on a country to be approved by the instructor, presentation of an academic paper on an international finance issue, and a presentation on a multi-national enterprise, with each of these topics to be approved by the instructor.

**REQUIRED TEXT**

Textbook (required): *Multinational Business Finance*, D.K. Eiteman, A.I. Stonehill and M.H. Moffat, 13th edition, Prentice Hall. ISBN-10: 0132743469.

	<b>Date</b>	<b>Topics</b>	<b>Chapters</b>
<b>1</b>	Jan 8	<b>Global Financial Environment Part I</b> Current Multinational Challenges and the Global Economy Corporate Ownership, Goals and Governance	1 2
<b>2</b>	Jan 15	<b>Global Financial Environment Part II</b> The International Monetary System The Continuing Global Financial Crisis	3 5
<b>3</b>	Jan 22	<b>Foreign Exchange Theory and Markets Part I</b> The Foreign Exchange Market Foreign Currency Derivatives and Swaps <b>Topic selection form due at beginning of class</b>	6 8
<b>4</b>	Jan 29	<b>Foreign Exchange Theory and Markets Part II</b> International Parity Conditions Foreign Exchange Rate Determination and Forecasting <b>First Quiz</b>	7 9
<b>5</b>	Feb 5	<b>Foreign Exchange Exposure Part I</b> Transaction Exposure Translation Exposure	10 11
<b>6</b>	Feb 12	<b>Country Presentation</b>	
	Feb 19	<b>Winter Break</b>	
<b>7</b>	Feb 26	<b>Foreign Exchange Exposure Part 2</b> Operating Exposure  <b>Financing the Global Firm Part I</b> The Global Cost and Availability of Capital	12  13
<b>8</b>	Mar 5	<b>Financing the Global Firm Part II</b> Raising Equity Sourcing and Debt Globally Multinational Tax Management <b>Second Quiz</b>	14 15
<b>9</b>	Mar 12	<b>Foreign Investment Decisions Part I</b> International Portfolio Theory and Diversification Foreign Direct Investment and Political Risk	16 17
<b>10</b>	Mar 19	<b>Foreign Investment Decisions Part II</b> Multinational Capital Budgeting and Cross-Border Acquisition	18
<b>11</b>	Mar 26	<b>Managing Multinational Operations</b> Working Capital Management International Trade Finance	19 20
<b>12</b>	Apr 2	<b>MNE Presentation</b>	

## **GRADING SCHEME<sup>1</sup>**

Country presentation	20%
Quiz	20%
MNE presentation	20%
Final Exam	40%

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

## **COURSE COMPONENTS**

### ***Presentation Selection Form***

To ensure no repetition of topics, the course instructor will approve all presentation topics. Accordingly, please complete the form that appears on page 6 of this course outline and submit it **at the beginning of class on January 22<sup>nd</sup>, 2014**. The form allows students to identify three alternatives for each of the three topics. The purpose of this is to provide alternatives in case two or more groups choose the same topic.

### ***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, and productivity, quality of life and corruption perceptions);
- d) Current fiscal and monetary policy;
- e) Comment on how well the country has managed its currency, including the history of the devaluation of the currency;
- f) Whether or not the country is of interest to an MNE – e.g. as a source of supply, a market, a manufacturing location; and,
- g) Concluding comments.

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. India 4504 W2014.ppt).

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<sup>1</sup> The country and MNE presentations will be completed in groups.

### **Quiz**

Students would be 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 page 2 above for the respective date of the quiz.

### ***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) 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 presentation 1, your group will be identified by its country name. Accordingly, please use a file name following this example: India Sony 4504 W2014.pptx

### ***General Comments on Presentations***

The presentation marks will be divided approximately into 80% for content, and 20% 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.

### ***Class participation***

Students are expected to participate in all classes, especially the country presentations and the MNE presentations.

### **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.

### **Medical certificate**

Please note that in all occasions that call for a medical certificate you must use or furnish the information demanded in the standard university form.

<http://www1.carleton.ca/registrar/forms/>

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, Plagiarism, 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:

## Requests for Academic Accommodations

### 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](mailto: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. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

- The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2013 exam period is November 8, 2013 and for the April 2014 exam period is March 7, 2014.

#### *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 expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, 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/>.

## **Assistance for Students:**

Student Academic Success Centre (SASC): [www.carleton.ca/sasc](http://www.carleton.ca/sasc)

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

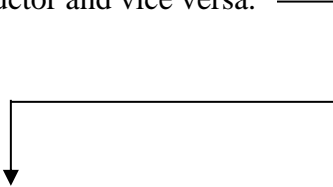
Peer Assisted Study Sessions (PASS): [www.carleton.ca/sasc/peer-assisted-study-sessions](http://www.carleton.ca/sasc/peer-assisted-study-sessions)

## **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.
  - Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from us. However, 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 CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>
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**BUSI 4504 International Finance  
Topic Selection Form**

Please use the following form to submit group member details, and topic selections. Each group must indicate with an X in the second column the member who will correspond with the instructor and vice versa.



**PLEASE PRINT CLEARLY**

		<b>Name</b>	<b>Carleton Email Address</b>	<b>Student Number</b>
1.				
2.				
3.				
4.				
5.				

<b>Presentation</b>	<b>Name or Description</b>	<b>Comments (optional)</b>
Country	1. 2. 3.	
MNE	1. 2. 3.	



## **ADDITIONAL IMPORTANT INFORMATION**

### **Policy on Mobile Devices**

The use of mobile devices IS NOT PERMITTED in this class. It is disruptive to the instructor and class members. If you carry such a device to class, please make sure it is turned off. If an emergency situation requires you to keep it turned on, please discuss this with your instructor prior to class.

### **Group Work**

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*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.*

### **Medical Certificate**

In all occasions that call for a medical certificate you must use or furnish the information required in the standard university form:

[http://www1.carleton.ca/registrar/ccms/wp-content/ccms-files/med\\_cert.pdf](http://www1.carleton.ca/registrar/ccms/wp-content/ccms-files/med_cert.pdf)

### **Person with Disabilities**

Students with disabilities requiring academic accommodations in this course are encouraged to contact a coordinator at the Paul Menton Centre for Students with Disabilities to complete the necessary letters of accommodation. After registering with the PMC, make an appointment to meet and discuss your needs with me at least two weeks prior to the first in-class test or ITV midterm exam. This is necessary in order to ensure sufficient time to make the necessary arrangements. Please refer to <http://www.carleton.ca/pmc/> for all PMC information.

### **Religious Observance**

Students requesting academic accommodation on the basis of religious observance 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 academic 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.

### **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 expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, 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/>.

### IMPORTANT DATES AND DEADLINES

Date	Activity
January 2, 2014	University re-opens.
January 6, 2014	Winter-term classes begin.
January 17, 2014	Last day for registration for winter term courses. Last day to change courses or sections (including auditing) for winter term courses.
January 31, 2014	Last day for withdrawal from winter term and winter portion of fall/winter courses with full fee adjustment.
February 1, 2014	Last day for receipt of applications for admission to the Bachelor of Architectural Studies and the Bachelor of Social Work degree programs for the fall/winter session.
February 14, 2014	April examination schedule available online.
February 14-22, 2014	Fall-term deferred examinations will be written.
February 17, 2014	Statutory holiday. University closed.
February 17-21, 2014	Winter Break, no classes.
March 1, 2014	Last day for receipt of applications from potential Spring (June) graduates. Last day for receipt of applications to the Bachelor of Humanities, Bachelor of Industrial Design, Bachelor of Information Technology (Interactive Multimedia and Design), Bachelor of Journalism, and the Bachelor of Music degree program for the fall/winter session. Last day for receipt of applications

Date	Activity
	for admission to a program for the summer term.
March 7, 2014	Last day to submit, to the Paul Menton Centre for Students with Disabilities, Formal Examination Accommodation Forms for April examinations.
March 25, 2014	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).
April 1, 2014	Last day for receipt of applications for admission to an undergraduate degree 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, 2014	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, 2014	No classes or examinations take place.
April 11-26, 2014	Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all seven days of the week. Please note that examinations will not be held on April 18-20.
April 15, 2014	Winter Co-op Work Term Reports are due.
April 18, 2014	Statutory holiday, University closed.
April 26, 2014	All take home examinations are due on this day.
May 1, 2014	Last day for receipt of applications for internal degree transfers to allow for registration for the summer session.
June 1, 2014	Last day for receipt of applications for admission to an undergraduate program for the fall/winter session from mature applicants, from those presenting post-secondary education qualifications and from those transferring from other universities in Canada or the United States, and from applicants with high school qualifications from Canada and the United States, except for applications due March 1.
June 9-19, 2014	Fall/winter and winter term deferred final examinations will be held.
June 15, 2014	Last day for receipt of applications for internal degree transfers to allow for registration for the 2013-2014 fall/winter session.