

BUSI 4504 A
FALL 2022
INTERNATIONAL FINANCE

Instructor: Kobana Abukari, PhD, CPA, CMA

Office: TBD

Office Hours: Friday, 2:30pm-3:30pm

Email: Kobana.Abukari@Carleton.ca

Phone Number: TBD

TA: TBA

Office Hours: TBA

Email: TBA

Course meets: Friday 11:35am - 2:25pm, Mackenzie Building, Room 3269

Pre-requisites & precluded Courses:

Precludes additional credit for BUSI 3504 (no longer offered) and BUSI 3505 (no longer offered).

Prerequisite: [BUSI 2505](#) with a grade of C- or higher.

The Sprott School of Business enforces all pre-requisites.

Course Calendar description from the 2022/2023 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 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.

Class Format

The course is offered as a combination of traditional lectures and student presentations on the following – a presentation on a country and a presentation on a multi-national enterprise, with each of these topics to be approved by the instructor.

Learning Outcomes:

It is the objective of this course to teach students:

- a) The financial goals and governance of multinational enterprises;
- b) The role of the international monetary system;
- c) The importance of balance of payments;
- d) The functioning of the foreign exchange market and the key drivers of foreign exchange levels;
- e) Foreign currency risk management in the context of multinational enterprises; and,
- f) Issues relating to international trade, multinational capital budgeting, foreign direct investment and political risk.

Reading(s)/Textbook(s):

Textbook (required): Multinational Business Finance, D.K. Eiteman, A.I. Stonehill and M.H. Moffett, 16th edition, 2022, Prentice Hall.

ISBN-10: 0-0-13-749601-X

ISBN-13: 978-0-13-749601-3

Course Requirements & Methods of Evaluation:

Required	Type	Date	Marks
Evaluation 1	Quiz 1	Sep 30	10%
Evaluation 2	Country Presentation	Oct 21	20%
Evaluation 3	Quiz 2	Nov 4	10%
Evaluation 4	MNE Presentation	Dec 25 / Dec 2	20%
Evaluation 5	Final Examination	TBD	40%
Total			100%

All course material, including content from the country presentations and MNE presentations, are 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 the topical issue (ii) itemize the key implication(s) of the issue (iii) state their 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 23, 2022**. 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.

BUSI 4505 International Finance Topic Selection Form

Please use the following form to submit group member details, and topic selections. Each group must choose one person who is to correspond with the instructor on topic selection. Please indicate the contact person by placing an X in the second column of the form.

PLEASE PRINT CLEARLY

		Name	Carleton Email Address
1.			
2.			
3.			
4.			
5.			

Presentation	Name or Description	Comments (optional)
Country (please choose 3 in rank order of your interest)	1. 2. 3.	
MNE (please choose 3 in rank order of your interest)	1. 2. 3.	

Group Country Presentation

Prepare and deliver a presentation, strictly limited to 20 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 or so;
- 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 or is managing under a currency regime imposed upon it;
- f) Whether 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., Singapore 4504A Fall 2022.pptx).

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 each quiz.

MNE presentation

Prepare and deliver a presentation, strictly limited to 20 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 – e.g., 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 or managing its challenges;
- f) Whether becoming an MNE has been beneficial for the company expressed in both strategic and financial terms; and,

g) Concluding comments.

The company must be foreign. For the purposes of this course, a company is foreign if its main share listing is 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 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.

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 2022.ppt.

General Comments on Presentations/Reports

The Country and MNE marks will be divided approximately into 80% for report content, and 20% for presentation skills. Your content mark will depend on the quality of your facts and explanations. The content report [Country and MNE] must be in 12 font and between 12-15 pages in length, not including any Appendices, which would be additional. 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 country presentation and the MNE 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.

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.

The following are some specific behavioral examples of good participation in discussion on which you will be assessed in this course. You will have been judged to have participated well in discussion in any given week if you:

- Ask a question or make a comment that shows you are interested in what another person says.
- Ask a question or make a comment that encourages another person to elaborate on something they have already said.
- Bring a resource (e.g., a reading, web link, video) that is not covered in the syllabus but adds new information or perspectives to our learning.
- Post a comment on our Brightspace page that summarizes our conversations so far and/or suggests new directions and questions to be explored in the future.

- Make a comment [in class or on our Brightspace page] indicating that you found another person's ideas interesting or useful. Be specific as to why this was the case.
- Contribute something that builds on, or springs from, what someone else has said. Be explicit about the way you are building on the person's thoughts.
- Ask a cause and effect question – for example, “Can you explain why you think it's true that if these things are in place such and such a thing will occur?”

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

Course Schedule (tentative and subject to changes*):

	Date	Topics	Chapter(s)
1	Sept 9	Global Financial Environment - Part I Multinational Financial Management: Opportunities and Challenges International Monetary System	1 2
2	Sept 16	Global Financial Environment - Part II The Balance of Payment Financial Goals and Corporate Governance	3 4
3	Sept 23	Foreign Exchange Theory and Markets Part I The Foreign Exchange Market International Parity Conditions Topic selection form due at beginning of class	5 6
4	Sept 30	Foreign Exchange Theory and Markets - Part II Foreign Currency Derivatives: Futures and Options Quiz #1	7
5	Oct 7	Foreign Exchange Theory and Markets - Part III Interest Rate Risk and Swaps Foreign Exchange Rate Determination and Forecasting	8 9
6	Oct 14	Foreign Exchange Exposure - Part I Transaction Exposure Operating Exposure	10 12
7	Oct 21	Group Country Presentation	
8	Oct 28	Fall Break – No Classes	
9	Nov 4	Financing the Global Firm - Part I Global Cost and Availability of Capital Funding the Multinational Firm Quiz #2	13 14
10	Nov 11	Financing the Global Firm - Part II Multinational Tax Management International Trade Finance	15 16
11	Nov 18	Foreign Investments and Investment Analysis Foreign Direct Investment and Political Risk Multinational Capital Budgeting and Cross-Border Acquisition	17 18
12	Nov 25	Group MNE Presentation	
13	Dec 2	Exam Review	

*While every attempt will be made to keep to the schedule, circumstances may necessitate modifications during the semester.

Contribution to Learning Goals of the Program ([BCom](#), [BIB](#)):

Program Learning Goal	Competencies Not Covered	Competencies Introduced (only)	Competencies Taught But Not Assessed	Competencies Taught and Assessed
CHECK (X) ONE PER ROW				
BC1 Knowledge <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i>				X
BC2 Collaboration <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i>				X
BC3 Critical Thinking <i>Graduates will be discerning critical thinkers, able to discuss different viewpoints, challenge biases and assumptions, and draw conclusions based on analysis and evaluation.</i>				X
BC4 Communication <i>Graduates will be effective and persuasive in their communications.</i>				X
B15 Global Awareness (BIB ONLY) <i>Graduates will be globally-minded.</i>				X

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.

Grading

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 Accommodation

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 its 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.

Process: If an alleged violation occurs, all relevant documentation will be forwarded to the Dean. If the allegation proves true, the 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. **For a first offence, at a minimum, the penalty assigned will normally be a zero on the submitted work and at least a minimum full grade reduction of the final course grade. For a second offence, at a minimum, the penalty assigned will normally lead to a suspension from studies.**

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 Undergraduate Student Services Office offers program advising and overall student success support. Our team is available to discuss your academic goals and your program progression plans. We can also work with you to develop strategies for success, including study skills for Business. If you experience any difficulty this term or if you would like to access support, please contact our team at bcom@sprott.carleton.ca or at bib@sprott.carleton.ca.

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 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 <https://carleton.ca/its/get-started/new-students-2/>

Covid-19 Information:

It is important to remember that COVID is still present in Ottawa. The situation can change at any time and the risks of new variants and outbreaks are very real. There are [a number of actions you can take](#) to lower your risk and the risk you pose to those around you including being vaccinated, wearing a mask, staying home when you're sick, washing your hands and maintaining proper respiratory and cough etiquette.

Feeling sick? Remaining vigilant and not attending work or school when sick or with symptoms is critically important. If you feel ill or exhibit COVID-19 symptoms do not come to class or campus. If you feel ill or exhibit symptoms while on campus or in class, please leave campus immediately. In all situations, you must follow Carleton's [symptom reporting protocols](#).

Masks: Carleton has paused the [COVID-19 Mask Policy](#), but continues to strongly recommend masking when indoors, particularly if physical distancing cannot be maintained. It may become necessary to quickly reinstate the mask requirement if pandemic circumstances were to change.

Vaccines: Further, while proof of vaccination is no longer required as of May 1 to attend campus or in-person activity, it may become necessary for the University to bring back proof of vaccination requirements on short notice if the situation and public health advice changes. Students are strongly encouraged to get a full course of vaccination, including booster doses as soon as they are eligible, and submit their booster dose information in [cuScreen](#) as soon as possible. Please note that Carleton cannot guarantee that it will be able to offer virtual or hybrid learning options for those who are unable to attend the campus.

All members of the Carleton community are required to follow requirements and guidelines regarding health and safety which may change from time to time. For the most recent information about Carleton's COVID-19 response and health and safety requirements please see the [University's COVID-19 website](#) and review the [Frequently Asked Questions \(FAQs\)](#). Should you have additional questions after reviewing, please contact covidinfo@carleton.ca.
