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| Course Name | : International Finance (FINC 762-01) |
| Professor | : Eduardo Pablo |
| Program | : Graduate Course |
| E-mail | : epablo@tulane.edu |
| Phone number | : To be assigned |
| Number of Credits | : Three credit-hour class |

I. COURSE OBJECTIVES AND DESCRIPTION

International Finance is the sub-area of finance that studies the international investment decisions concerning real and financial assets. This course is intended for students who wish to learn the concepts and theories of modern multinational financial management. International Finance gives participants a solid theoretical and practical background that serves to better understand (1) the importance of risk management in a Multinational Corporation (MNCs); (2) the particularities of corporate finance and corporate governance in a global context.

II. METHODOLOGY

- The course consists of lectures designed to develop an understanding of the major elements of international finance. A tentative list of topics and the sequence in which they will be covered is shown in section IV of this document. The emphasis is placed on the logic underlying each concept, how each concept is used, and on how they are interrelated. The course will cover some of the chapters in the prescribed textbook, some in their entirety and others only partially. Additional material in the form of magazine and newspaper articles of current events, or academic papers could also be distributed in class or through the course platform. This is aimed at helping you to integrate the class material with the real world. This in-class activity will be complemented with a lot of out-of-class activity.
- The professor has adopted the Participant-Centered learning methodology. Therefore, I expect an active participation from students in class discussions. Equally important will be any activity programmed through the virtual platform to be used (BlackBoard). Remember that through this learning methodology you acquire knowledge from the professor (that becomes a facilitator), the readings and exercises assigned, and from other participants (class discussions, group assignments).
- This course uses a Participant-Centered learning tool called *Project-based learning*. Participants during the first week of classes will form teams to work on a short-term project that involves analyzing information related to a corporate finance research question in Latin America. Specific information about this mini-project will be submitted in a timely manner.
- There will also be an individual assignment that participants should submit to the professor and is fully evaluated. This assignment is basically made of academic exercises taken from the textbook and carefully selected by the professor. The idea of these exercises is to get participants familiar with the concepts and methodology covered in class.
- Individual evaluation will be complemented by two exams. The best way to get ready for the exams is making and understanding both individual and group assignments and attending classes in order to consult your doubts with the professor as soon as possible.

- An effective and productive communication between participants and the professor is a must. The following bullets show the rules of the game regarding communication in order to maximize the productivity of our time:
 1. The communication channel for any concern about individual and group assignments (i.e. doubts about assumptions, or the best way to solve a problem, asking for hints, etc.), is the virtual platform BlackBoard. I will open discussion boards to canalize your questions. The idea is to publicly expose participant's questions and the professor's answers since most of the time the participants share the same questions.
 2. With the exception of the recommended textbook, the rest of the material will be published in the course platform or distributed in class on a timely manner.
 3. For any other reason, my email (epablo@tulane.edu) is the appropriate communication channel. Informing about a student missing a session, or addressing your individual performance, are just some examples. Please, begin the subject line with the "INFING:". For example, the subject line for an email about missing a class will be "INFING: Missing Tuesday's class".

III. EVALUATION

The assessment policy for this course is specified in the following paragraphs. Please read it carefully, as in the interest of fairness to all students, **no exceptions** will be made. Performance will be measured by two individual examinations, two individual assignments, and the mini-project. The final grade is computed based on the following weights:

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| Individual assignments [15 points each] | 30 points |
| Mini-project | 30 points |
| Exams [20 points each] | <u>40</u> points |
| Total | 100 points |

EXAMINATION:

The exam could be a combination of multiple choice questions, short answers, and problems. It will cover the class lectures and the assigned text. Depending on the design, you may bring some material. Further instructions about what is and is not allow will be given previous to the exam. The date for the exam is indicated in section IV and V.

MINI-PROJECT:

Empirical analysis of information gathered about a corporate finance question in emerging markets, specifically in Latin America. The professor will help students with any statistics participants need to calculate. Knowledge of a particular statistical package is not required.

INDIVIDUAL ASSIGNMENTS:

Already described.

IV. DETAILED CONTENT – Tentative Schedule

WEEK 1 (Butler 1, 4) Tuesday 01/15 and Thursday 01/17
Course Overview
An Introduction to Multinational Finance; FX, Eurocurrencies, and Currency Risk management

WEEK 2 (Butler 5) Friday 01/18, Tuesday 01/22, and Thursday 01/24
The International Parity Conditions;

WEEK 3 (Butler 6, 7) Tuesday, 01/29 and Thursday 01/31
Fundamentals of Options and Futures

WEEK 4 (Butler 9) Thursday 02/07
The Rationale for Hedging Currency Risks

WEEK 5 (Butler 11) Tuesday 02/12
Currency Risk Management (Transaction Risk)

WEEK 6 (Butler 12, 13) Tuesday 02/19 and Thursday 02/21
Currency Risk Management (Operating Risk, and Translation Risk)

WEEK 7 (Butler 15) Friday 02/22
Capital budgeting without frontiers

WEEK 8 (Butler 15, 14) Tuesday 02/26 and Thursday 02/28
Capital budgeting without frontiers
Country Risk Management

WEEK 9 (Butler 16) Tuesday 03/06
Mid-term examination

WEEK 10 (Butler 18) Tuesday 03/11 and Thursday 03/13
Real Options and Cross-Border Investment

WEEK 11 (Butler 19) Tuesday 04/01 and Thursday 04/03
Corporate Governance and the International Market for Corporate Control

WEEK 12 (Butler 19, 20) Tuesday 04/08 and Thursday 04/10
Corporate Governance and the International Market for Corporate Control
International Portfolio Diversification

WEEK 13 (Butler 20, 21) Tuesday 04/15 and Thursday 04/17
International Portfolio Diversification
International Asset Pricing

WEEK 14 (Butler 21, 22) Tuesday 04/22 and Thursday 04/24
Managing and International Investment Portfolio

WEEK 15 (Butler 22) Tuesday 04/29 and Thursday 05/01
No Content on purpose (Make-up class, review for examination, etc.)

WEEK 16 Sunday, May 4th to Sunday May 11th
Final examination

V. TENTATIVE SUBMISSION DATES

Individual Assignments

February 28th and April 29th

Mini-project

May 1st

Final Examination

Programmed week

VI. COURSE MATERIAL

- Butler C. Kirt, Multinational Finance, Third Edition (2004), Thompson / South-Western
- Course Transparency Set
- Any additional material will be published in BlackBoard or given in class.

NOTE: The syllabus as well as details of the course is flexible and there may be changes. If there are changes due to unexpected events, they will be announced taking into account the interest of everybody in order to minimize the inconveniences created.