

COURSE SYLLABUS
SOUTHEAST MISSOURI STATE UNIVERSITY

Department of Economics and Finance
Title of Course: International Financial Management

Course No. FI540
Revision: Spring 2012

I. Catalog Description and Credit Hours of Course:

An examination of the international financial management environment with an emphasis on exchange rate behavior, risk management, and asset management from a global perspective. (3 hours)

II. Prerequisites:

FI361 Financial Management with a minimum grade of "C" and senior standing.

III. Purpose or Objectives of Course:

- A. To study the international financial environment including the international flow of funds, international financial markets, and exchange rate determination. (*BSBA Goal: Knowledge of the fundamentals of accounting, finance, business law, MIS, marketing, management, and economics.*)
- B. To understand exchange rate behavior including government influence, interest rate parity and arbitrage. (*BSBA Goal: Knowledge of the fundamentals of accounting, finance, business law, MIS, marketing, management, and economics.*)
- C. To apply risk management techniques as they relate to managing transaction exposure. (*BSBA Goal: Application of critical thinking skills to business problems and ethical dilemmas.*)
- D. To develop specific financial skills relating to long-term asset and liability management from a multinational corporation perspective. (*BSBA Goal: Awareness and understanding of other cultures in a global and diverse environment.*)

IV. Student Learning Outcomes

Upon completion of this course, students should be able to:

- A. Solve problems related to international arbitrage and interest rate parity using locational arbitrage, triangular arbitrage and covered interest arbitrage.
- B. Identify and analyze transaction exposure to exchange rate fluctuations and manage the transaction exposure using multiple hedging techniques.

- C. Develop cash flow projections necessary to analyze multinational capital budgeting projects and apply evaluation methods to solve problems related to multinational capital budgeting.

V. Expectations of Students:

- A. General: Each student is expected to perform professionally with reference to attendance, participation, compliance with assignments, etc. This is a professional course and requires a professional attitude on the part of the student. This means that the assigned material should be read with discrimination, intellectual curiosity, reflective thinking and critical analysis.
- B. Readings: Each student is expected to have knowledge of the current international economic and business environment in which will live. Students are required to keep up-to-date via their preferred media outlet (examples include: Wall Street Journal, Financial Times, Bloomberg, Yahoo Finance, CNBC, CNN etc...)

VI. Course Content or Outline:

**Suggested Time In
50 Minute Periods**

A.	The International Financial Environment	15
	1. Multinational financial management	
	2. International flow of funds	
	3. International financial markets	
	4. Exchange rate determination	
	5. Currency derivatives	
B.	Exchange Rates and Exchange Risk Management	15
	1. Government influence on exchange rates	
	2. International arbitrage and interest rate parity	
	3. Managing transaction exposure	
	4. Trading Currencies	
C.	Long-Term Asset and Liability Management	15
	1. Direct foreign investment	
	2. Multinational capital budgeting	
	3. International acquisitions	
	4. Long-term financing	
	TOTAL	45

VII. Text (s) or Other Required Materials or Equipment:

Textbook: Madura, Jeff, International Financial Management, 11th Edition. Cincinnati, OH: Thompson South-Western, 2010.

VIII. Basis for Student Evaluation:

- A. Examinations
- B. Assignments