A: Basic Information

Instructor: Professor John Gandar
Office: 220 Friday Building
Office Phone: 704-687-7675
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Class time & location: FINN 3223-001 TR 12:30 – 1:45p.m. Friday 141
FINN 3223-002 TR 2:00 – 3:15 p.m. Friday 141

Office hours: TR 3:30 – 5:00 p.m. or by appointment

B: Course Content and Outline

Course Description (from Undergraduate Catalog)

FINN 3223. International Financial Management. (3) Prerequisite: FINN 3120. Viewpoints are those of the senior financial officer of a corporation involved in international business and of the international officer of a commercial bank. Topics include the financing of exports and imports, financing of foreign operations, problems of foreign exchange rates and the impact of accounting procedures on financial management.

Course Objectives

The objectives of this course are to ensure you develop a mastery over some basic elements of international finance and you have an understanding of appropriate financing and hedging vehicles for dealing with the risks of international operations. You will be introduced to forward, futures, and option contracts in international finance and will be expected to develop an understanding of their uses. By the end of the course you will be expected to have an understanding of foreign exchange markets, interest rate parity, purchasing power parity, and other parity theorems and have an understanding of the linkages of these with the financial management of the firm.

Text and Reading Material

There is no set textbook for this course. In truth, the basic topics of international finance are provided by many introductory textbooks. I particularly like Jeff Madura’s textbook:

Any recent edition would work but it would be best to use either the 11th or 12th editions. While older editions of this text are much cheaper, their practical examples and cases will be dated. In contrast, the 12th edition is the most expensive but has the most up-to-date examples. Select an edition of this textbook (or any other text on the same topic) that meets your tastes and budget.

There will be occasion readings from the financial and economics media. Material from occasional readings is examinable.

**Outline of Class Schedule**

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<th>Week</th>
<th>Dates</th>
<th>Topic</th>
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<td>A23, A25</td>
<td>Introduction, &amp; Overview (Ch. 1)</td>
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<td>2</td>
<td>A29, A31</td>
<td>Balance of Payments and Flow of Funds (Ch. 2)</td>
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<td>3</td>
<td>S6, S8</td>
<td>International Financial Markets (Ch. 3)</td>
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<td>S13, S15</td>
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<td>Introduction to Currency Derivatives (Ch. 5)</td>
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<td>6</td>
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<td>Review &amp; Test 1</td>
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<td>7</td>
<td>O4, O6</td>
<td>Governments &amp; Exchange Rates (Ch. 6)</td>
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<td>Fall Break, O13</td>
<td>International Arbitrage &amp; Interest Rate Parity (Ch. 7)</td>
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<td>O18, O20</td>
<td>Inflation, Interest Rates, &amp; Exchange Rates (Ch. 8)</td>
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<td>O25, O27</td>
<td>Forecasting Exchange Rates (Ch. 9)</td>
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<td>14</td>
<td>N22, Thanksgiving</td>
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<td>15</td>
<td>N29, N31</td>
<td>Financing International Trade (Ch. 19)</td>
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<td>16</td>
<td>D6</td>
<td>Catch up &amp; Review for Final Exam</td>
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Notes:
1. The chapter numbers given in parentheses above refer to Madura’s textbook, 12th edition.
2. Please understand that the above schedule, with the exception of the scheduled test dates, is tentative. It may be revised during the semester in order to cover newly developing international finance issues or because of unanticipated constraints.

**Important Dates this Semester**

- **August 29**: Last day to register/drop/add via the web
- **September 5**: Labor Day recess
- **September 29**: TEST ONE
- **October 10-11**: Fall Break
- **November 3**: TEST TWO
- **November 24-27**: Thanksgiving Break
- **December 6**: Last Class Day

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December 13: Section 002 – Scheduled Final Exam (2:00 – 4:30 p.m.)
December 15: Section 001 – Scheduled Final Exam (11:00 a.m. – 1:30 p.m.)

C: Course Assessment

Examinations
There are three examinations (two in-semester tests and one final examination) to determine grades in this course. Each of the two in-semester tests is a combination of multiple choice and problem questions while the final examination is entirely multiple-choice. The two in-semester tests will examine the topics covered in that section of the course. The final examination will be comprehensive.

Students arriving late for an examination will be permitted to sit for the test only if no student has turned in a paper before the late arrival. As soon as the first student turns in her/his test and leaves the room, no student arriving later than this will be permitted into the examination room. Students arriving late for an examination receive no extra time. If you leave the room during an examination, you will not be allowed to reenter, so plan your activities accordingly.

Students will be allowed to bring a financial calculator into all three examinations. In addition, students can bring one small card (preferably no larger than 5” x 8”) containing any formulae or information you think may help you into the first in-semester test, two such cards into the second in-semester test and three such cards into the final examination. No other materials will be permitted.

Make-Ups & Early Examinations

There will be no make-up examinations or early examinations. Please carefully check the dates scheduled for the three examinations (September 29, November 3, and December 13 or December 15). If you have a conflict on any of these days, you should either reschedule that other commitment or consider dropping this course.

The only exception I will make to the policy of no make-ups or early examinations would occur if you are absent from the university on the examination day because you are on official university business. For example, if you are a student athlete and you have a scheduled away game/meet on one of the scheduled examinations days, you will need to provide me with a signed note from your head coach and an official team schedule in order to be granted an exemption to take the examination at some other (mutually acceptable) time. You will need to do this at least two weeks prior to the examination.

If you miss one in-semester test, your final examination will have a 70 percent weighting. If you miss both in-semester tests, you will fail the course. Lastly, if you miss the final examination for a documented medical reason, you will receive an incomplete grade (“I”) and will have to make arrangements to complete the course requirements in a later semester.
Final Course Grades

Grades will be assigned solely on the basis of your performance on the three examinations. Just as there will be no make-up examinations, there will be no extra credit scoring. So do not even ask for such consideration.

In determining a final course grade, I will first calculate your course total score three different ways:

Score 1: The two in-semester tests will each count for 30 percent of your final course score while the final will count for 40 percent of your final course score.

Score 2: Test One will count for 30 percent of your final course score while the final will count for 70 percent of your final course score (i.e., Test Two counts for zero).

Score 3: Test Two will count for 30 percent of your final course score while the final will count for 70 percent of your final course score (i.e., Test One counts for zero).

The highest of these three scores (Score 1, Score 2, or Score 3) becomes your final course score.

This final course score is then converted into a letter grade using the standard scale (A: 90-100; B: 80-89; C: 70-79; D: 60-69; and F: <60). There will be no exceptions to this scale and no rounding up of total points to the next highest integer – so do not ask for either.

Assignments

Throughout the semester, I will distribute assignments which will cover the topics you will be tested on and will give you a good idea of the types of questions you will see in the examinations. While these will not be collected for grading, I will call on students in class to answer these as we end the coverage of each topic. As well, I will provide you with some (but not all) answers to the assignment questions prior to each examination.

D: Other Important Stuff

Academic Integrity

Academic dishonesty is not tolerated by the Belk College of Business or this instructor. Students have the responsibility to know and observe the requirements of the UNCC Code of Student Academic Integrity (this Code is online at http://www.legal.uncc.edu/policies/ps-105.html). The Code forbids cheating, fabrication, falsification, multiple submission of academic work, plagiarism, abuse of academic materials, and complicity in academic dishonesty. Academic evaluation in this course includes a judgment that the student's work is free from academic dishonesty of any type. Violations will be dealt with in the manner specified the Code. Students observing violations of the Code are expected to report this to me.
Diversity

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to, ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

Adverse Weather

If the University is closed, there will be no class. If the Charlotte-Mecklenburg School system is closed, there will be no class. If you commute in from outside the county and there is adverse weather there (but not in Mecklenburg County), make your own decision to attend or not, but remember I do not want you to endanger your life just to get to class. If adverse weather closes the University or shuts down CMS on a scheduled examination date, I will reschedule the examination to the next class meeting.

Attendance

I do not take attendance. You can evaluate the costs and benefits of attendance vs. non-attendance. I believe that attendance has a net benefit: on average, students who attend class regularly are more successful than students who do not.

If you choose to attend, I would ask you to be on time. Wandering in after the class has started is disrespectful to everyone who has made the attempt to turn up on time.

If your choice is to not regularly attend, understand that you are responsible for obtaining your own class notes. If you miss a class, I will not provide the missing information.

Lectures

The primary method of instruction in this course will be lectures. If there is something you don’t understand in my lecture, please interrupt (as politely as you can) and ask for further explanation. If I cannot fully explain the issue to your satisfaction or if it will take too long to provide a complete explanation, I may ask you to hold off until the end of the lecture or come to see me at my office hours.

Please note that I will email you my lecture notes on all topics Prior to these being covered in class.

Students will be expected to actively participate in classroom discussions and solving of problems. I expect that you come to class prepared: that is, you have read the lecture notes and checked the appropriate chapter in your selected textbook.

I expect you to keep up with current international financial events by reading the Wall Street Journal, The Economist, etc., and checking finance/business websites (such as Bloomberg Finance or Yahoo Finance).
It would be of great help if you bring a financial calculator to class to help solve problems. Lastly, I will ask that you turn off your cell phone and any other electronic device before the start of class.

**Communication**

To repeat: my email address is [jmgandar@uncc.edu](mailto:jmgandar@uncc.edu). If you email me, please include "FINN 3223 student question" in the subject line to ensure a prompt reply. If the question is such that all students could benefit from my reply, please understand that I may reply to all students in the class.

When I email an individual or the entire class, I will use your official university email address. You are responsible for monitoring this address: I will not use your private address.

**Disability Services**

Students seeking accommodation for disabilities must first consult with the Office of Disability Services and follow the instructions from that office for obtaining any accommodation.