MBAD 6155  Multinational Financial Management  Spring 2012

Instructor: Dr. Blenman
Class- R 5.30 p.m-8.15 p.m. E-mail: lblenman@uncc.edu.
Office Hours.  M: 2.00 p.m-5 p.m (Belk College);
Uptown Center by appointment only

Required Texts:

Outline of Class Schedule


Topic 2. Balance of Payments- Ch. 3 (Jan. 19)

Topic 3. Corporate Governance and Foreign Exchange Markets- Chs. 4-5. (Jan. 19-Jan. 26)

Topic 4. International Parity Relationships and FX Rate Forecasting- Ch. 6 (Feb. 2)

Topic 5. Futures and Options on Foreign Exchange- Ch. 7. (Feb. 9-16)

Topic 6. Foreign Exchange Exposure and Management-Ch. 8 (Feb. 16-23)

Midterm Examination  (Mar. 1)

Topic 7. Management of Economic and Translation Exposure-Chs. 9-10 (Mar. 15)

Topic 8. International Banking, Money and Bond Markets- Ch. 11-12 (Mar. 22)


Topic 10. Interest Rate Swaps, Currency Swaps and Portfolio Investments- Chs. 14-15 (Apr. 5)
Course Description

The course deals with issues of the financial management of the multinational firm. The topics addressed will include the management of foreign exchange and political risk and the control and evaluation of the financial policies of multinational firms.

Course Objectives

The objectives of the course are to ensure that you have a mastery of the scope and application of multinational finance in a corporate setting and are able to utilize the appropriate financing or hedging and risk-reduction mechanisms for dealing with the uncertainties of multinational operations and finance. I expect that you will be able to apply all the concepts developed during the first parts of the course in applications involving cases that are stylized representations of issues that arise in international finance. Most real-life decisions are made in the context of incomplete information and the cases you will discuss reflect that fact. Therefore you must be able to justify your course of action, and present alternative scenarios if necessary, all with equal skill, as decisions are never quite clear-cut in the real world.

Course Policies

Grading

Grades will be assigned on the basis of performance on (2) written in-class examinations (the final examination and the midterm), case presentation, general class participation. The weights of the various grading elements are as indicated below.
Midterm- 30% each; Final Exam- 40%; Class participation -10% and case study– 20%

Please pay special attention to worked problems and illustrated classroom examples, since these will be related to the material on the midterms and the final examination. Grades will be assigned solely on the basis of scores on the following scale 

A, 100-90; B, 89-80; C, 79-70; D, 69-60; F, 59-0. This scale is the sole basis for the determination of your final grade.

Case studies and other matters

Each member of the class will be expected to be part of a team of students that will present one of the cases identified in the course outline. These cases are to be presented at the end of the semester, penultimate week thereof to be specific. Each team should have no more than 5-6 members and you should inform me in writing by March 1, by email, who are the members of your team and if you have a team leader that I can contact if I have any queries. I will assist you to find a suitable team if you have not found one by the middle of February.

There are usually problems in all teams. If you cannot resolve the problems internally please bring it to my attention. Do not allow problems to develop to the point that they jeopardize the completion of your task. If I find that there are real issues, I reserve the right to allocate different grades on the case study to different members of a team. If there is need for additional choices for cases, because the class enrolment is greater than projected, I will present additional ones for your scrutiny but bear in mind there is no immediate urgency on the cases, as these will not be discussed before April 26. I expect that all students will read all the cases and be able to participate in the group discussion phases of each presentation.

There is a solution manual for the primary text. I do not require that you have this for the course as I do not vouch for the accuracy of the solutions in that manual. In any event the materials that I hand out and the problems we work in class are sufficient for you to do well in the course.

Curving/Score Adjustments/Formulas

There are no adjustments made to class scores if the class average on an examination is B or higher. If your individual examination has been incorrectly graded I will ensure that the correct grade is posted once you bring it to my attention within 1 week of my returning examination scores to the class. Students should prepare for the exams as if no formulas will be handed out. That means that if I hand out formulas they should be regarded as supplemental. The formulas by themselves mean nothing. What is important is their application and proper usage.
Absences from Examinations.

The Final Examination must be taken at the scheduled date and time and no makeup examination will be given if the examination is not taken at the scheduled date and time, except if (a) you have a valid medical reason and doctor’s certificate for not being able to take the examination at the scheduled date and time and/or (b) prior approval is obtained from me to take the examination, at a date earlier than the scheduled date. If you miss the midterm examination, the final examination will carry a weight of 70%. There are no make-up exams for the missed midterm.

Lectures/Class Room Participation/Readings

The principal method of instruction will be primarily by means of lectures. Active participation in classroom discussions and the solving of problems is strongly encouraged. Please read the material that will be covered in your textbook prior to coming to class. It is your responsibility to cover those topics that are to be discussed in class, if for some reason it is not possible any relevant materials to be posted on my ftp site. My ftp location is ftp://ftpserv.uncc.edu/coba/finn/blenman. All notes are posted there. Classroom participation is based on several factors including contribution to the class discussions, shared insights and general helpfulness to the overall conduct of the class. Of course one has to be present for lectures/discussions in order to make a meaningful contribution to the class.

Since international finance is a dynamic and constantly changing area students are expected to keep abreast of current events in international financial markets. This can be achieved by reading the Wall Street Journal, Business Week or Euromoney, which are all good sources for current information.

Academic Integrity

Students are advised to apprise themselves of, and adhere to the rules specified in the UNC-Charlotte code of student integrity regulations, which will be enforced in this class. Students should prepare to be tested on covered material without the use of any notes, formula sheets etc. A good non-programmable financial calculator should be sufficient to provide all needed computational assistance.

Belk College Statement on 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.