FINN 3223 – 001
International Financial Management
Spring 2018
T, R, 11:00 am - 12:15 p.m.
Friday 117

Instructor: Dr. Hwan C. Lin
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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.

Course Description: 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.

Attendance: Students are expected to attend every class on time. Your class attendance will count toward your course grade as specified in Grading Policy.
While important announcements will be posted in the University’s Canvas website (https://canvas.uncc.edu), you may still miss some class announcements in your class absence. It is your responsibility to ask other students, rather than the instructor, for the class announcement you missed.

**Grading Policy:**

1) The course grade is based on three exams (two midterms & one final), homework assignments, and class participation throughout the Spring 2018 semester. Their relative weights are:

- Midterm Exam #1 = 100 points
- Midterm Exam #2 = 100
- Final Exam = 100
- Homework = 100
- Class participation = 15 (extra credit)

2) Course Grade: A=90 - 100%, B=80 - 89%, C=70 - 79%, D=60 - 69%, F = 60% below. Your percent average is calculated by dividing your earned points by the grade base of 400 points. The maximum points you can earn is 415 points due to the extra credit of class participation.

3) The first two exams are equally weighted and non-cumulative, each counting for 100 points. The final exam is cumulative, counting for 100 points as well.

4) Homework including several assignments counts for 100 points. All homework assignments will be posted in the University’s Canvas (https://canvas.uncc.edu). Every student must download, complete, and hand each completed homework assignment to the instructor in the classroom on the due date as soon as the class begins. Students will not be allowed to work on their homework in the middle of a class proceeding on the due date. You will earn zero point from any overdue homework.

5) Class participation allows you to earn extra credit up to 15 points, depending on your class attendance during the Spring 2018 semester. There are about 30 scheduled classes in total. To determine your extra credit, every student starts with 15 bonus points. For each class you fail to attend, your bonus points drop by one point. Your extra credit will drop to zero if you miss 15 classes or more.

6) No make-up test shall be given in general, unless you miss an exam while officially representing the University for an off-campus event. If you miss an exam with no justifiable reasons, you will be given a zero (0) for that exam.

**Disability Services**

UNC Charlotte is committed to access to education. If you have a disability and need academic accommodations, please provide a letter of accommodation from Disability Services early in the semester. For more information on accommodations, contact the Office of Disability Services at 704-687-0040 or visit their office at Fretwell 230.
Lecture Outline
(subject to changes)
• Week 1: Introduction, & Overview (Ch. 1)
• Week 2: Balance of Payments and Flow of Funds (Ch. 2)
• Week 3: International Financial Markets (Ch. 3)
• Week 4: Exchange Rate Basics (Ch. 4)
• Week 5: Introduction to Currency Derivatives (Ch. 5)
• Week 6: Review & Test 1
• Week 7: Governments & Exchange Rates (Ch. 6)
• Week 8: International Arbitrage & Interest Rate Parity (Ch. 7)
• Week 9: Inflation, Interest Rates, & Exchange Rates (Ch. 8)
• Week 10: Forecasting Exchange Rates (Ch. 9)
• Week 11: Review & Test 2
• Week 12: Exposure to Exchange Rate Fluctuations (Ch. 10)
• Week 13: Managing Transaction Exposure (Ch. 11)
• Week 14: Managing Economic Exposure (Ch. 12)
• Week 15: Financing International Trade (Ch. 19)
• Week 16: Catch up & Review for Final Exam

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
First day of classes – Monday, January 08, 2018
Last day of classes – Monday, April 30, 2018
Test 1 – Thursday, February 15
Test 2 – Thursday, March 22
Final Exam – Tuesday, May 08, 11:00 am – 1:30 pm

Academic Integrity

Students have the responsibility to know and observe the requirements of The UNC Charlotte Code of Student Academic Integrity (Catalog, page 275). This code forbids cheating, fabrication or falsification of information, multiple submissions of academic work, plagiarism, abuse of academic materials, and complicity in academic dishonesty. Any special requirements or permission regarding academic integrity in this course will be stated by the instructor and are binding on the students. Academic evaluations in this course include a judgment that the student’s work is free from academic dishonesty of any type; and grades in this course therefore should be and will be adversely affected by academic dishonesty. Students who violate the code can be expelled from UNC Charlotte. The normal penalty for a first offense is zero credit on the work involving dishonesty and further substantial reduction of the course grade. In almost all cases, the course grade is reduced to F. Copies of the code can be obtained from the Dean of Students Office. Standards of academic integrity will be enforced in this course. Students are expected to report cases of academic dishonesty to the course instructor.
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.