

University of Illinois at Chicago
Finance 442, International Finance
Fall 2012
General Information

Stanley Waite - Instructor

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Office Hours: Thursday 5 PM to 6 PM, by appointment (UH 2331)

Course Objectives: To introduce students to the range of risks that a corporation faces when it crosses borders and to introduce the tools and techniques that can be used to mitigate these risks. We will focus on foreign exchange markets, the international monetary system, exchange rate determinants, and various derivatives that can be used in managing some risks. Other topics visited will be foreign direct investments, and international bond and equity markets.

In-Class Examinations: There will be one quiz and two in-class examinations, after completion of each part of the syllabus. No make-up exam will be offered unless there are compelling medical reasons and such reasons are supported by a doctor's certificate.

Exam Format: Exams will consist of a combination of true/false questions, multiple choice questions, short essay questions and problems requiring calculations. (A financial calculator is required.) There will be a final group assignment that will draw on the material covered throughout the course.

Class Participation and Assignments: You are expected to enrich class discussion by your participation and this will form part of your grade. You are expected to attend all lectures and attendance will be taken at random. You need to keep up with readings and any changes to them. Such changes will be announced in class and you will be held responsible for being abreast of such changes.

Assignments are to be submitted on due dates. Late submission will be penalized.

Weighting	Problem Sets	5%
	News Analysis & Presentation	10%
	Class Participation	5%
	Everbank Part II	5%
	Term Project	20%
	Quiz	10%
	Exam 1	15%
	Exam 2	15%
	Final Group Assignment	15%

Grading	A	90-100%
	B	80-89%
	C	70-79%

I do not grade on a curve but do provide ample opportunities for extra credit.

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Syllabus

REQUIRED TEXT:

Eun Cheol S. and Resnick, Bruce G., 2009. International Financial Management. (Sixth Edition).
McGraw-Hill/Irwin

ECOMMENDED:

The Wall Street Journal
Financial Times
The Economist

Date	Topics
Aug. 28	Introduction. Ch. 1 – Globalization and the Multinational Firm
Aug. 30	Ch.2 – International Monetary System
Sept. 4	Ch. 5 – The Market for Foreign Exchange
Sept. 6	Ch. 5 – (cont'd)
Sept. 11	Ch. 3 – Balance of Payments
Sept. 13	Ch. 3 – (cont'd)
Sept. 18	Ch. 6 – International Parity Relationships & FX Forecasting
Sept. 20	QUIZ (Ch. 5, specifically foreign exchange conversion problems)
Sept. 25	Ch. 6 – (cont'd)
Sept. 27	Ch. 12 – International Bond Market
Oct. 2	Ch. 12 – (cont'd)
Oct. 4	Ch. 4 – Corporate Governance Around the World
Oct. 9	Ch. 7 – Futures and Options on Foreign Exchange
Oct. 11	Ch. 7 – (cont'd)
Oct. 16	Ch. 8 – Management of Transaction Exposure
Oct. 18	Ch. 8 – (cont'd)
Oct. 23	Ch. 9 – Management of Economic Exposure
Oct. 25	EXAM 1 (Ch. 1 to 7 & 12)
Oct. 30	Ch. 10 – Management of Translation Exposure
Nv. 1	Ch. 16 – Foreign Direct Investment & Cross Border Acquisitions
Nov. 6	Ch. 11 – International Banking & Money Market
Nov. 8	Term Project presentations
Nov. 13	Term Project presentations
Nov. 15	EXAM 2 (Ch. 8 to 11 & 16)
Nov. 20	Ch. 13 – International Equity Markets
Nov. 22	THANGSGIVING DAY
Nov. 27	Ch. 13 – (cont'd)
Nov. 29	Ch. 14 – Interest Rate & Currency Swaps
Dec. 4	Ch 15 – International Portfolio Investments
Dec. 6	Ch. 20 – International Trade Finance

Academic Integrity and Class Conduct

Consistent with CBA policy, cheating, plagiarism, and other forms of academic dishonesty are considered very serious offenses and will be dealt with in accordance with established procedures. Please familiarize yourself with a complete statement of the Honor Code at [http://www..uic.edu/cba/Faculty/academic affairs/ honorcode.html](http://www..uic.edu/cba/Faculty/academic%20affairs/honorcode.html)

Should you have any questions about what constitutes appropriate behavior, please do not hesitate to consult me.