



# MSME BUSINESS SCHOOL

## ASSUMPTION UNIVERSITY

Department of Finance  
**FIN4812 International Finance**  
 COURSE SYLLABUS: SEMESTER 2/2019

### MSME's Vision and Mission

**Vision:** To be a distinguished business school with entrepreneurial spirit and an international learning environment

**Mission:** Educating graduates with entrepreneurial spirit, global competency, and social responsibility.

- By nurturing business knowledge and skills to develop creative business solutions;
- By developing business communication skills and appreciation of diversity;
- By fostering ethical awareness to act in the benefit of the society at large.

### Assumption University's Uniqueness and Identity

**Uniqueness of the University:** An International Catholic University

**Identity of AU Students:** Ethics  
 English Proficiency  
 Entrepreneurial Spirit

### Course Information

<b>Course Title</b>	FIN4812 International Finance
<b>Prerequisites</b>	<a href="#">FIN 3701 Corporate Finance</a> (106 Credits Completed)
<b>Class time and Classroom</b>	Section 401 Monday/Wednesday 12.00-13.30 MSM0702 Section 402 Monday/Wednesday 13.30-15.00 MSM0702
<b>Instructor Information</b>	Dr.Radha Sirianukul By appointment (radhasrn@au.edu)
<b>LMS</b>	<a href="https://lms.msme.au.edu">https://lms.msme.au.edu</a>
<b>Course Description</b>	International finance and financial environment focusing on the managerial aspects of international financial management from the MNCs' perspectives, international financial markets, foreign exchange markets, exchange rate determinations, policies and strategies adopted by MNCs in assessing, planning and managing their foreign exchange rate risk exposures, and international financing, and capital structure decision.
<b>Course Objectives</b>	<ul style="list-style-type: none"> <li>• To enable the student to integrate the international dimension of finance and economics into practices.</li> <li>• To describe the international financial environment, markets and instruments and its role in MNCs financial decision making.</li> <li>• To provide student with necessary quantitative and analytical skills to make financial and investment decisions in an international environment.</li> <li>• To develop effective strategy (ies) and practice(s) for managing the financial/ foreign exchange risk exposures in the international business.</li> </ul>

**Textbooks, Software, and Other Readings**

<b>Required Textbook(s):</b>	Madura, Jeff. ( 2017) . <i>International Corporate Finance</i> , 13 <sup>th</sup> ed. , US: South-Western: CENGAGE Learning
<b>Other Required Readings:</b>	Moffett, H. Michael, Stonehill, I. Arthur & Eiteman, K. David, <i>Fundamentals of Multinational Finance</i> , Fifth Edition, Pearson, 2016.
<b>Optional Readings</b>	To be assigned in class

**Mark Allocation:**

Quizzes (I&II)	10 %	February 15,2020 (Sat.) 13:30 – 14:30, Suvarnabhumi April 25, 2020 (Sat.) 13:30 – 14:30, Suvarnabhumi
In-Class Participation & Assignments and on-line Quizzes	10 %	Assigned Weekly
Term Project	10 %	To be announced
Midterm Examination	30 %	February 27, 2020 (Thu.) 15.00-17.00
Final Examination	40 %	May 5, 2020 (Tue.) 09.00-12.00
<b>TOTAL</b>	<b>100 %</b>	

<p><b>Exams, Assignment and Other Evaluation Policies</b></p>	<p><b>Midterm Examination:</b>          Consists of:          1. Problem Solving Questions          2. Short Answer Questions regarding Concepts/Definitions/Theories and Application Questions from Chapters 1-7</p> <p><b>Final Examination:</b>          Comprehensive Exam.          All topics covered throughout the semester will be included.          Consists of:          1. Problem Solving Questions          2. Short Answer Questions regarding Concepts/Definitions/Theories and Application Questions from Chapters 5-14</p> <p><b>Participation:</b>          Participation marks depend on both the quality and frequency of your participation. It has little to do with your class attendance. If you always attend the class but nap or surf the web in the back of the classroom, then your participation mark may end up as ZERO.</p> <p><b>Written Assignments:</b>          As students' commitment is essential to achieve the objectives of the course, throughout the course students will need to complete two assignments (Research Projects) and one Case Analysis. This is intended to encourage the students to develop an interest in current issues and apply theories and concepts to analyze the international financial issues and problems. The course will also emphasize on in-class assignments to enable students to practice and develop their quantitative and analytical skills.</p> <p><b><u>Assignment 1: (4 %)</u></b></p> <p><b><u>'Foreign Exchange Rate Analysis'</u></b>          The research project requires students to analyze the assigned country's Foreign Exchange Rate Movement over the last six quarters, in terms of the strength and importance of the currency in the international financial market, trade, capital flows and overall balance of payments position of the country and its impact on the currency movement, government /international organizations influences on the value of the currency and other factors influencing the movement of the assigned currency. The U.S. dollar is to be used as the base currency. The assigned country for each section will be announced in class.</p> <p>Students will form into groups of <b>no more than four members from the same section</b>. Each group is required to submit a typewritten report of <b>no more than 10 pages excluding the references</b>. Students should also provide proper referencing and attach as appendices all relevant data used for the analysis. The report will be evaluated based on the depth of the analysis and application of theory to support the analysis. Plagiarism is strictly prohibited.</p> <p>Submission Date: To be announced</p>
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	<p><b><u>Assignment 2: (3%)</u></b></p> <p><b><u>'Special Topics In International Finance'</u></b></p> <p>The research project requires students to provide a detail analysis and discussion on a current issue relevant to international finance.</p> <p>Students will form into groups of no more than 4 members from the same section. Each group is required to submit a typewritten report of no more than 5 pages excluding the references. Students should also provide proper referencing and attach as appendices all relevant data used for the analysis. The report will be evaluated based on the relevance and understanding of the issue and the depth of the analysis and application of theories to support the analysis. Plagiarism is strictly prohibited.</p> <p>Submission Date: To be announced</p> <p><b><u>Assignment 3: (3%)</u></b></p> <p><b><u>'Foreign Exchange Risk Analysis/International Capital Budgeting'</u></b></p> <p>Students will be assigned an international finance related case and are required to prepare a typewritten integrative analysis. Students are required to use the theories and concepts studied throughout the course to analyze the case.</p> <p>Submission Date: To Be Announced</p> <p>Electronic version may need to be submitted if required.</p>
<p><b>Grading Criteria for Assignments</b></p>	<p>Details of the Assignments and Grading Rubric will be provided in the class.</p>
<p><i>Friday, April 24,2020: Last day to withdraw with "W"</i></p>	

**Examinations, Assignments, and Other Evaluation Policies:**

**Academic Integrity:**

The instructor and Assumption University value and enforce academic integrity. All students must understand the meaning and consequences of cheating, plagiarism and other academic offences.

Plagiarism is defined in dictionaries as the “wrongful appropriation,” “close imitation,” or “purloining and publication” of another author’s “language, thoughts, ideas, or expressions,” and the representation of them as one's own original work. – Wikipedia

Any work submitted that is deemed plagiarized work (e.g. without citing the origin of the idea or writing) will receive a ZERO for that submission. More importantly, your action is subject to the university committee for academic integrity. The punishment, if found guilty, is the same as what you will receive when you are found cheating in an exam. That is, you will receive an F for the course

**Course Schedule:**

Week	Chapter	Topic	Hours
<b>Part I: The International Financial Environment</b>			
1	1	Multinational Financial Management: An Overview - Managing the MNC - Valuation Model of an MNC - Uncertainties Surrounding MNC Cash Flows	1.5
1-2	2	International Flow of Funds - Accounts in the Balance of Payments Statement - Factors Affecting International Trade and Capital Flows - Agencies that Facilitate International Flows	3
2-3	3	International Financial Markets - Foreign Exchange Market - Foreign Exchange Quotations - International Money Market - International Capital Market	4.5
4	4	Exchange Rate Determination - Measuring Exchange Rate Movements - Factors that Influence Exchange Rates - Foreign Exchange Speculation and Carry Trade	3
<b>Quiz I (5%)</b>			
5-6	5	Currency Derivatives: Forward, Futures And Option Contracts - Forward Market and How MNCs Use Forward Contracts - Currency Futures Market and How MMCs Use Currency Futures - Currency Options Market and How MNCs Use Currency Options	3
<b>Part II: Exchange Rate Behavior</b>			
6	6	Government Influence on Exchange Rate - Exchange Rate Systems - Government Intervention In The FX Market: Direct & Indirect	1.5
7	7	International Arbitrages and Interest Rate Parity Forms of International Arbitrage - Locational - Triangular - Covered Interest Arbitrage	3
<b>Midterm Examination (30%)</b>			
8	8	Relationship between Inflation, Interest Rates, and Exchange Rates - Interest Rate Parity - Purchasing Power Parity - International Fisher Effect	3
<b>Part III: Exchange Rate Risk Management</b>			
9	9	Forecasting Exchange Rates - FX Forecasting Techniques	3
10	10	Measuring Exposure to Exchange Rate Fluctuations - Relevance of Exchange Rate Risk - Measuring Transaction Exposure - Measuring Operating Exposure - Measuring Translation Exposure	3
<b>Quiz II (5%)</b>			
11-12	11	Managing Transaction Exposure - Policies for Hedging Transaction Exposure - Techniques for Hedging Forward/Futures Hedge Money Market hedge Currency Option Hedge - Limitations of Hedging	3
12-13	11	Alternative Hedging Decisions For Currency Risk - Back to Back Loan - Currency Swap/Interest Rate Swap - Leading and Lagging - Cross Hedging	4.5

		- Currency Diversification	
14	12	Managing Operating Exposure and Translation Exposure	3
<b>Part IV: Long-Term Asset and Liability Management</b>			
15	14	Multinational Capital Budgeting - Inputs for Multinational Capital Budgeting - Factors Affecting Capital Budgeting Analysis	3
<b>All Chapters Comprehensive Final examination (40%)</b>			

## **CLASSROOM POLICIES**

### **CLASS PARTICIPATION / ATTENDANCE POLICIES:**

In compliance with the University's policy on class attendance, the MSME Business School requires all students enrolling in courses offered by the School, to obtain a minimum of 80% class attendance to be eligible to sit and take the final examination.

The 20% absence is the maximum number of allowable absences. It is inclusive for all excuses, i.e., sickness, personal and family matters, business trips, and other personal reasons. It is therefore, the student's primary responsibility to determine the necessity and ascertain the number of times of their absences. For a 3-credit hour subject, with one-and-a-half hour, students are allowed to miss the class 6 times, and with 3 hours class, they can be absent 3 times.

The Dean, Department Chairperson, and Lecturer of this subject are empowered to withdraw or withhold correction of the final examination papers from students lacking class attendance requirements without the students' consent.

***Class attendance can only be checked for the section the student is registered in:***

Students are not allowed to ask lecturers to check their attendance in sections other than the one they have enrolled in. Nonetheless, to give students an opportunity to catch-up classes that they have missed or to review certain topics they did not understand, students are permitted to audit lectures in other sections, given that the lecturer of the section grants permission. Please keep in mind that the permission of the Lecturer to audit his/her lecture in other sections does not imply that students can receive class attendance in those sections – there is no such thing as 'make-up class attendance.'

### **CHEATING POLICIES**

If any student or a group of students are caught copying, partial/entire project or hire outside or inside person to do their works, the faculty considers such an act as a serious matter which will automatically result in 'F' grade for the student/s.

### **CHANGING SECTION**

Students are neither allowed to study in other section they have not enrolled for, nor do the project with their friends in other sections. The lecturer does not have any authority to allow his/her students to switch section without proper authorization from the registrar.

### **Speak English in Class**

***All students must speak English in class both to teacher and peers.*** The complaints from international students who cannot participate in group-work due to the language barrier such that local students do not communicate in English will seriously be considered for penalty.

### **Communication Devices in Class**

Active mobile phones or any communication devices are not welcome in the classroom. If you regularly carry one of these devices during the day, make sure you turn it off before the class starts.

### **OTHER CLASSROOM POLICIES: DEPARTMENT OF FINANCE**

- **Request for make-up quizzes (if applicable):**
  - Students requesting for the make-up quizzes, need to submit their names with valid evidence (School related issues) to the respective lecturer within the specified dates.
  - Failure to do so, the students will NOT be allowed to take the make-up quizzes.
- **Grade inquiry:**
  - The students can request for a review of their marks or grades.
  - The students need to **submit petition** to the respective Chairperson at Martin de Tours School of

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Management and Economics Office at MSM Building, 2<sup>nd</sup> floor, Suvarnabhumi Campus within **ONE-MONTH period** after their marks or grades have been officially announced. Petition submitted after the specified period will **NOT be considered**.

- **Reevaluation process:** The students' class assignments or exam answer scripts will be reevaluated by the internal committees assigned by the respective department. The result of the reevaluation is considered as a **"final consensus"** between the students and the committees.

*AU Dress Code, Time Conflict examination regulations, Prerequisite Subject Requirement, Laws on Smoking Cigarette, and Restrictions on Foods and Drinks V10.1, June 2010*

### AU DRESS CODE REQUIREMENTS

Following are the University's dress codes students are obligated to strictly observe upon entering campus, attending classes, and using the University's facilities on weekdays, except in sport arenas, AU mall and resident halls:

- ✓ *Tuck the rim of their shirts or blouses in their trousers or skirts,*
- ✓ *Wear only black, brown, dark blue or gray coloured trousers (for male students), and knee-length straight skirts (for female students)*
- ✓ *Please note that when attending the University's formal functions i.e. examinations, quizzes, ethic seminar, class presentations, field trips etc., students are required to wear full uniform with the design stipulated in the University's dress code.*

Furthermore, the dress codes also proscribe the wearing of the following:

- × *below-waist trousers or skirt.*
- × *tight trousers/blouses, or short skirt.*
- × *trousers or skirts made from jeans, corduroy, or velvet.*
- × *trousers with the design resemble to jeans (for male students).*
- × *half-pleated skirt with design similar to straight skirt on the upper part and pleated skirt on the bottom part (for female students).*

- ⊙ ***Breaching the aforementioned dress codes will result in students being denied entry or being requested to leave the university's premises, or being dismissed from classes – in such case, students may lose their class attendance. The rule of debarment will also be applied to the students with less than 80% class attendance.***

(Lecturers and university officers have been authorized to deny university entry permission to students violating this regulation and to request them to leave university's premises, as well as to confiscate their student ID card)

- ⊙ ***Please note that all AU students are obligated to carry the University's student ID card upon entering the University's premise, and present it to the University Officers upon being requested. Failing to present their student ID card irrespective of reasons will subject students to a fine of up to 200 baht.***

**Remark:** Students whose ID cards are confiscated are required to contact Students Affairs Office (13<sup>th</sup> floor, CL Building; or 3<sup>rd</sup> floor, Students Organization Building for the ID card being confiscated at Suvarnabhumi campus or Hua Mak campus respectively), within 5 working days after their ID cards are confiscated to retrieve their ID cards, pay a fine of up to 200 baht, and be informed about other punitive actions, if any. Students who do not retrieve their ID cards within the stated period will be required to apply and pay 200 baht fee for their new students' ID card. The process of applying for the new ID cards requires students to obtain a letter from Office of Students Affairs to verify the termination of their ID cards, and subsequently contact the Bank officers for their new ID cards.) For future reference, it is advisable for the students to ask for names of lecturers or officers who confiscated their ID cards.

### TIME CONFLICT EXAMINATION APPLICATION PROCEDURE

#### Period to apply for time conflict examination

- AT1. **As stipulated in the registration regulations, only graduating students will be allowed to appear for the time conflict examinations without obtaining Dean's approval, provided that their petition is turned in to the Office of Registrar within specified period (refer to AT3), as such, the non-graduating students must ascertain during the pre-registration and adding periods that the subjects they prefer to enroll or add do not have examination time conflict.**
- AT2. **Should the non-graduating students wish to enroll or add the subjects with conflicting examination time, advices and approval for the time conflict examination must be obtained from the Dean prior to their registration of the subjects. The Dean concerned may exercise his/her discretion in declining the non-graduating students' request for time conflict examination. The decision of the Dean pertaining to the request is final.**
- AT3. **All petitions for the time conflict examination for both graduating and non-graduating students who obtain the Dean's approval must be submitted to Office of Registrar within the first three weeks (15 working days) of the semester/summer session.**
- AT4. **The students need to keep the "receipt" issued by the Office of Registrar, and present it to the Office in case that their names are not included in the "time conflict examination list".**
- AT5. **Ignorant of the Time Conflict Examination Application Procedures or personal reasons causing students to miss the Time Conflict Examination Application's dead line are not justifiable reasons for the late submission of the Time Conflict Examination Application.**

**Checking the time conflict examination schedule and venue**

SV1. *The students are also required to contact Office of the Registrar five working days before the first day of the examination period for the time conflict examination schedule as well as the "time conflict examination room". Usually the date of the examination with time conflict would remain unchanged, while the examination time would be rescheduled i.e. one subject would take place before the other - "back-to-back examinations", and the venue would be the examination room designated only for "Time Conflict Examination".*

**Venue for Time Conflict Examination**

**The students must appear for the examinations, only in the assigned "Time Conflict Examination Room".** *Should the students sit for the examination of any subject with time conflict examination in regular examination rooms, they will not be allowed to appear for another examination or apply for "late examination", and will hence obtain automatic withdrawal for the subject.*

**PREREQUISITE SUBJECT REQUIREMENT**

A prerequisite is a subject or multiple subjects that students must complete before taking an advanced course. For example, students must complete *MGT1101 Introduction to Business* before taking *MGT2900 Principles of Management*. Students who did not meet this requirement will result in automatic debarment and no chance to take the final exam.

**LAW ON SMOKING CIGARETTE**

As the Health Ministry stipulates the University as a health protection area where smoking is prohibited, hence ***smoking cigarette is only allowed in the designated areas***. Breaching the law will subject students to a fine of **2,000 baht**.

**RESTRICTIONS ON FOODS AND DRINKS IN THE CLASSROOM BUILDINGS**

**Foods and Drinks are not allowed to be brought into classroom buildings.** *Should the students violate the regulation, their students' ID card will be confiscated.*

***Office of Vice President for Academic Affairs***