



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM 437 H1F

Course Name: International Finance

Fall 2012

Course Meets:	Tuesdays	9:00-11:00 (L0101), WO 25
	Tuesdays	2:00-4:00 (L0201), WO 20
	Thursdays	9:00-11:00 (L0301), WO 30

Instructor: Wendy Rotenberg, RT 446

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Office Hours: By appointment in regular weeks, TBA in week before tests.
Available by email any time.

Course Objectives

The course will focus on financial management in an international context. It begins with an overview of the macroeconomic environment, including a review of parity relationships, exchange rate systems and financial markets and instruments.

Aspects of international financial management addressed in the course include foreign exchange exposure measurement and management, financing the global firm, foreign investment decisions, and the management of multinational fund flows and transactions.

Instructional Approach

A combination of lecture, technical problem solving and classroom discussion will be used. Students are expected to have completed the required readings and attempted any assigned questions prior to class. If time is limited, be advised that even brief preparation for class is extremely beneficial.

Attendance

Attendance at class is not mandatory but is highly recommended! Students must attend the lecture in which they are registered unless a prior request has been approved by the instructor. Please make any such request by email, including the reason for it, at least 24 hours prior to the lecture you wish to attend.

Course Prerequisites

Prerequisites: MCT337Y1/RSM333H1; Actuarial Science ACT349H1

Exclusions: MGT439H1

Required Readings

Textbook (required): Multinational Business Finance, D.K. Eiteman, A.I. Stonehill and M.H. Moffat, 12th edition, Prentice Hall, ISBN-13: 978-0-13-609668-9

Lecture notes

Will be posted on the portal in advance of class.

Note that beginning in class 2, students are responsible for printing out the lecture note and bringing them to class.

Evaluation and Grades

	<u>Worth</u>	<u>Due Date</u>
Class Prep Assignments	10%	Start of Relevant Classes (5 @ 2 points each)
Quiz	15%	Class 6
Group Readings Summaries	15%	Last Class (5 @ 3 points each)
Final exam	60%	During Arts & Science Final Examination period

Class Prep Assignments

- As indicated on the course schedule, preparatory assignments are due at the start of 5 of the classes. The assignments will be distributed in the prior class and posted at that time.
- Due to their nature, as a substitute for participation grades and to encourage attendance and advance preparation for class, preparatory assignments cannot be submitted late and a grade of zero will be assigned.
- Assignments are due at the start of class and should be submitted in hard copy to the instructor.
- These assignments are to be completed individually and are to be HAND WRITTEN or they will not be accepted for grading. The objective of requiring hand written work is to guarantee that students are individually prepared for class.

Quiz

- The quiz will take place during regular class time in Class 6.
- Calculators will be allowed and any required formulas will be provided.
- Students must write the quiz in the section they are registered in.
- There will be no make up quiz. Any students unable to write the quiz for a legitimate documented reason will have the grades for the quiz shifted to the final.
- Students unable to take the quiz must notify Rotman Commerce on the date of the missed quiz and submit supporting documentation (e.g. a medical certificate) to the Rotman Commerce Program Office within one week, otherwise a grade of 0 (zero) will be assigned on the quiz.

Group Readings Summaries

- Group readings summaries involve identifying and summarizing newspaper or magazine articles on each of 5 groupings of course topics. The original article must be submitted with each summary (photocopies are acceptable). Further instructions will be provided in class.
- The purpose of the readings summaries is to facilitate application of course materials to real world events and to encourage group discussion.
- Please submit your work in a professional, word processed format. Minimum of 12 point font.
- Group size should be 4 to 6 members. Students can form their own groups. Group members do not need to be registered in the same course section. Assistance will be provided to any students unable to find a group to work with - email the instructor if help is needed.
- All group members will receive the same grade. Each member is expected to:
 - Treat other members with courtesy and respect;
 - Establish a positive and productive team dynamic;
 - Contribute substantially and proportionally to the project;
 - Ensure enough familiarity with the entire contents of the group project/assignment so as to be able to sign off on it as original work;
 - Meet the project timeline as established by the team.

Exam Policies

- The final examination will be entirely open book including the textbook and any notes students would like to have with them. This will allow students to focus on application of the materials learned throughout the course and not on memorizing, when preparing for the examination.
- As the course progresses, students should keep the open book nature of the final examination in mind and organize their personal materials well, to facilitate their exam preparation and exam writing.
- The final examination will be cumulative, covering all course materials, but with an emphasis on materials not previously tested in the Quiz.

Drop Date

- The last day to drop the course without academic penalty is November 4. By that date, students will have their grades on the quiz and two preparatory assignments.

Grade Appeals

- Appeals must be made one week after the graded work is returned. Students should take the time to carefully review their own work and the feedback they received.
- Appeals must be in writing and must include an explanation of why the original grade should be reassessed.
- Students must notify the instructor by email that they will be requesting a regrade, and must return the graded work, with their written request for regrading, in the following class.

POLICY AND PROCEDURE

Missed Tests and Assignments (including midterm examinations)

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. Provided that notification and documentation are provided in a timely manner, and that the request is subsequently approved, no academic penalty will be applied.

In such cases, students must notify Rotman Commerce on the date of the missed test (or due date in the case of course work) and submit supporting documentation (e.g. a medical certificate) to the Rotman Commerce Program Office within one week of the originally scheduled test or due date. Students who do not provide Rotman Commerce or the instructor with appropriate or sufficient supporting documentation will be given a grade of 0 (zero).

Note that the physician's report must establish that the patient was examined and diagnosed at the time of illness, not after the fact. Rotman Commerce will not accept a statement that merely confirms a report of illness made by the student and documented by the physician.

Students unable to take the quiz must notify Rotman Commerce on the date of the missed quiz and submit supporting documentation (e.g. a medical certificate) to the Rotman Commerce Program Office within one week, otherwise a grade of 0 (zero) will be assigned on the quiz.

Late Assignments

Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and assignments.

Accessibility Needs

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible: disability.services@utoronto.ca or <http://www.accessibility.utoronto.ca/>.

Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

The University of Toronto's Code of Behaviour on Academic Matters

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

Email

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Hotmail, Gmail or Yahoo accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

Blackboard and the Course Page

The online course page for this course is accessed through Blackboard. To access the course page, go to the UofT Portal login at <https://portal.utoronto.ca/> and log in using your UTORid and password. Once you have logged in, look for the My Courses module where you'll find the link to all your course websites. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours. If the course does not appear, go to the Information Commons Help Desk in Robarts Library, 1st floor, for help, or explore the Portal Information and Help at www.portalinfo.utoronto.ca/students and review the Frequently Asked Questions.

Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Blackboard materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

Fall 2012 Class Session Dates and Topic Schedule

Class	Tues /Thurs	Date	Topic(s) and Text Chapter(s)
1 (A)	T	Sept 11/ R Sept 13	Global Financial Environment (Ch 1-5) Globalization and the Multinational Enterprise Financial Goals and Corporate Governance The International Monetary System The Balance of Payments Current Multinational Financial Challenges
2 (A)	T	Sept 18/ R Sept 20	Foreign Exchange Theory and Markets Part I (Ch 6) The Foreign Exchange Market
3*(B)	T	Sept 25/ R Sept 27	Foreign Exchange Theory and Markets Part II (Ch 7,10) International Parity Conditions Foreign Exchange Rate Determination and Forecasting
4*(B)	T	Oct 2 / R Oct 4	Foreign Exchange Theory and Markets Part III (Ch 8) Foreign Currency Derivatives
5 (B)	T	Oct 9 / R Oct 11	Foreign Exchange Exposure Part I (Ch 11) Transaction Exposure
6	T	Oct 16/ R Oct 18	In-Class 1 Hour Quiz
7 (C)	T	Oct 23/ R Oct 25	Foreign Exchange Exposure Part II (Ch 12, 13) Operating Exposure Translation Exposure
8*(C)	T	Oct 30/ R Nov 1	Financing the Global Firm Part I (Ch 14, 15) The Global Cost and Availability of Capital Sourcing Equity Globally
9 (D)	T	Nov 6 / R Nov 8	Financing the Global Firm Part II (Ch 16, 9) Sourcing Debt Globally Interest Rate and Currency Swaps
10*(D)	T	Nov 20/ R Nov 15	Foreign Investment Decisions Part I (Ch 17,18) International Portfolio Theory and Diversification Foreign Direct Investment Theory and Political Risk
11*(E)	T	Nov 27/ R Nov 22	Foreign Investment Decisions Part II (Ch 19) Multinational Capital Budgeting
12 (E)	T	Dec 4/ R Nov 29	Managing Multinational Operations Part I (Ch 20, 21, 22) Multinational Tax Management Working Capital Management International Trade Finance

Note: * indicates that a preparatory assignment is due at the start of that class

Note: The letters A through E identify the 5 topic groupings for group readings summaries