



# **Rotman** Commerce UNIVERSITY OF TORONTO

## **Course Outline**

### **RSM 437 H1F**

International Finance

Fall 2013

Course Meets:   Tuesdays     2:00- 4:00 (L0101), WO 35  
                  Wednesdays 2:00- 4:00 (L0201), WO 35  
                  Thursdays   2:00- 4:00 (L0301), WO 35

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Instructor:           Wendy Rotenberg, RT 446  
E-Mail:                [rotenber@rotman.utoronto.ca](mailto:rotenber@rotman.utoronto.ca)  
Phone:                 416.978.2664  
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 a brief 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**

Rotman Commerce: RSM333H1 Actuarial Science: ACT349H1

## Course Exclusions

MGT439H1

## Required Readings

Textbook (required): Multinational Business Finance, D.K. Eiteman, A.I. Stonehill and M.H. Moffat, 13<sup>th</sup> edition (2013), Prentice Hall, ISBN-13: 978-0-13-274346-4

NOTE - THE TEXT CAN BE PURCHASED IN ELECTRONIC FORM OR IN HARD COPY.

Hard copies of the text can be purchased on Amazon.ca.

Instructions for electronic text purchase will be announced in class.

Lecture notes: Will be posted on the portal in advance of class. Note that starting in class 2, students are responsible for printing out the lecture notes and bringing them to class.

Cases: Any cases to be used for class discussion or assignments will be announced in class and will be available for purchase on the publishers website.

## Evaluation and Grades

	<u>Worth</u>	<u>Due Date</u>
Group Assignment 1	10%	Start of Class 4
Quiz	15%	Start of Class 6
Group Assignment 2	15%	Start of Class 8
Final exam	60%	During Arts & Science Final Examination period

## Quiz Policies

- The quiz will take place in the first 45 minutes of class 6 and will be followed by a 10 minute break, and then a 1 hour class.
- Students will be permitted to bring one 1-sided page of handwritten notes to the quiz.
- Calculators will be allowed.
- 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 missed 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.
- 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. [Verification of Student Illness or Injury form](#)) 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.**

## **Group Assignments**

Group assignments will involve problem solving and the analysis of case(s) to be announced in class. 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.

Group assignments are due in hard copy, to be submitted to the instructor at the start of class on the due date. Late assignments will not be accepted.

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.

Conflicts can – and do – occur. Conflicts are part of the team's process of learning how to work together effectively and can actually generate exciting debate and creative solutions – if managed appropriately. Student teams are collectively expected to resolve disputes or misunderstandings as soon as they arise (and prior to submission of the final project). In cases where teams are unable to reach a mutually agreeable solution, the entire team must meet with the Rotman Commerce Team Coach\*\* as soon as possible. The Coach will listen to the team and help develop options for improving the team process. All members of the project team must commit to, and, utilize their action plans.

\*\* The Rotman Commerce Team Coach, Nikoleta Vlamis, may be reached at [nikoleta@nikoletaandassociates.com](mailto:nikoleta@nikoletaandassociates.com) for an appointment. Nikoleta is an expert in team dynamics and facilitation. Note that Nikoleta's role is to provide guidance, support and advice on team matters – not to formally evaluate or assess teamwork for academic purposes.

## **Exam Policies**

Students will be permitted to bring one (2 sided) page of their own notes to the final examination. These must be handwritten.

The final examination will be cumulative, covering all course materials.

## **Drop Date**

The last day to drop the course without academic penalty is Monday November 4.

## 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.

## 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](mailto: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 scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the U of T 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 Behavior on Academic Matters* outlines the behaviors that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed (see <http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>). 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.

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 Behavior on Academic Matters*. If you have any questions about what is or not is 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 U of T 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](http://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 2013 Class Session Dates and Topics – any changes will be announced in class**

<b>Class</b>	<b>Dates</b>	<b>Topic(s) and Text Chapter(s)</b>
1	Sept 10/11/12	Introduction to the Course Ch 1 Current Multinational Challenges and the Global Economy Ch 2 Corporate Ownership, Goals and Governance
2	Sept 17/18/19	Ch 3 The International Monetary System Ch 6 The Foreign Exchange Market
3	Sept 24/25/26	Ch 7 International Parity Conditions Ch 9 Foreign Exchange Rate Determination and Forecasting
4	Oct 1/2/3	GROUP ASSIGNMENT 1 Due at Start of Class Ch 8 Foreign Currency Derivatives and Swaps Intro to Foreign Exchange Exposure (Ch 10, 11, 12)
5	Oct 8/9/10	Ch 10 Transaction Exposure
6	Oct 15/16/17	QUIZ at Start of Class Instructions for Group Case Assignment Ch 10 Transaction Exposure cont'd
7	Oct 22/23/24	Ch 11 Operating Exposure Ch 12 Translation Exposure
8	Oct 29/30/31	GROUP ASSIGNMENT 2 Due at start of class Ch 13 The Global Cost and Availability of Capital Ch 14 Raising Equity and Debt Globally Ch 15 Multinational Tax Management

