



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM 437 H1F

Course Name: International Finance

Fall 2015

Course Meets:	Mondays	1:00- 3:00	(L0301),	WO 35
	Tuesdays	9:00- 11:00	(L0201),	WO 35
	Tuesdays	2:00- 4:00	(L0101),	WO 35

Instructor: Wendy Rotenberg, RT 446
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Phone: 416.978.2664
Office Hours: Thursdays 10:30 – 12:00 or by appointment

Course Objectives

This course will focus on financial management in an international context. We begin with a brief overview of the nature of international business activities and the evolution of multinational enterprises. We then cover the foreign exchange market and exchange rate determination, as well as other international financial markets and instruments. This sets the stage for learning about a variety of international financial management topics, including foreign exchange exposure measurement and management, financing the global firm, management of multinational fund flows and transactions, and foreign direct investment decisions.

Instructional Approach

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

Attendance

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. On group assignment due dates there will be brief presentations and all group members are expected to participate and support their group.

Course Prerequisites

Rotman Commerce: RSM333H1 (and therefore, RSM332H1 plus the ECO and STAT prerequisites required for RSM 332 and 333).

Actuarial Science: ACT349H1

Required Readings

Textbook (required): Multinational Business Finance, D.K. Eiteman, A.I. Stonehill and M.H. Moffat, 14th edition (2016), Prentice Hall, ISBN-13: 978-0-13-387987-2

NOTE - The text can be purchased or rented, in hard copy or in electronic form.

Instructions for acquiring the textbook will be announced in class.

Class Materials : Lecture notes and slides will be posted on the portal in advance of class. Beginning in class 2, students are responsible for printing out the class materials and bringing them to class.

Cases: Cases to be used for class discussion are available for purchase on the publisher websites. Each student is responsible for purchasing their own access to the course materials.

Evaluation and Grades

	<u>Worth</u>	<u>Notes</u>
Group Assignments	20%	1 Assignment with Report and Presentations
Participation	10%	5 (of 6 possible) Responses to Assigned Questions Due immediately after Group Presentations, 2 points each
Term Test	30%	Tuesday October 13 at 2-4pm EX310 and EX320 Conflict Writers between 12 and 4pm HA401
Final exam	40%	During Arts & Science Final Examination period

Term Test Policies

- Calculators will be allowed.
- There will be no make-up Test. Any students unable to write the test at the regular time or at the conflict time, for a legitimate documented reason, will have the grade(s) for the test shifted to the final. Students must arrange with the instructor to write during the conflict time when they first become aware of the conflict.
- **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. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Program Office within **48 hours** 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) for the missed test or course deliverable.

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 and due dates will be announced in class. Students will form their own groups with the assistance of the instructor to ensure that there are an appropriate number of case groups per section. Group members must be registered in the same course section.
- 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 and presentation;
 - 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.
- Learning to work together in teams is an important aspect of your education and preparation for your future careers. That said, project-based teamwork is often new to students; to work well in teams, it helps to follow a set of core expectations to best succeed at your team projects.

1. Read the document entitled, "Working in Teams: Guidelines for Rotman Commerce Students" which is available on the RC portal under the Academic Services tab.

2. Resolving conflicts:

Conflicts are part of the team's process of learning how to work together. When handled well, it can generate creativity and bring-multiple perspectives to the solution.

Student teams are expected to work through their misunderstandings as soon as they arise (and prior to submission of the final project). When teams are unable to arrive at a solution that works for all members, the 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.

** For an appointment with a Rotman Commerce Team Coach, please contact Elaine Zapotoczny at elaine@nikoletaandassociates.com. Elaine is highly skilled at facilitating team dynamics and collaboration. Note that the Team Coach'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 only their calculator and pen(s) into the examination.
- The final examination will be cumulative, covering all course materials.

Drop Date

- The last day to drop the course without academic penalty is Sunday November 8.

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 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 communicate important course information by email. As such, all U of T students are required to have a valid U of T email address. Students are responsible for ensuring that their U of T email address is set up AND properly entered on the ROSI system.
- Forwarding utoronto.ca email messages to a Hotmail, Gmail, Yahoo, or other type of email account is not advisable as it could result in important messages from the course instructor ending up in a spam or junk mail folder.

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 2015 Class Session Dates and Topics – any changes will be announced in class

Class	Dates	Topic(s) and Text Chapter(s)
1	Sept 14/15	Introduction to the Course Ch 1 Multinational Financial Management: Opportunities and Challenges Class Discussion Case: Gary Halper Menswear
2	Sept 21/22	Ch 15 Multinational Tax Management Preliminary Organization of Assignment Groups
3	Sept 28/29	Ch 5 The Foreign Exchange Market Ch 6 International Parity Conditions Ch 9 Foreign Exchange Rate Determination Finalizing Assignment Groups and Instructions
4	October 5/6	Introduction to Foreign Exchange Exposure Measurement and Management Ch 10 Transaction Exposure Group Presentation #1
5	October 13	TERM TEST
6	Oct 19/20	Ch 10 Transaction Exposure (cont'd) Ch 8 Foreign Currency Derivatives: Futures and Options Group Presentation #2

- 7 Oct 26/27 Ch 16 International Trade Finance
 Class Discussion Case: Belco Global Foods
 Group Presentation #3
- 8 November 2/3 Ch 11 Translation Exposure
 Ch 12 Operating Exposure
 Group Presentation #4
- 9 November 9/10 No class - break week
- 10 November 16/17 Ch 17 Foreign Direct Investment Theory and Political Risk
 Ch 18 Multinational Capital Budgeting and Cross Border Acquisitions
 Group Presentation #5
- 11 November 23/24 Ch 14 Raising Equity and Debt Globally
 Ch 8 Interest Rate Risk and Swaps
 Group Presentation #6
- 12 November 30/Dec 1 Ch 16 International Portfolio Theory and Diversification
 Ch 13 The Global Cost and Availability of Capital
 Group Presentation #7
- 13 December 7/8 Gary Halper Menswear – Class discussion
 Course Wrap-up, Student Opinion Surveys (Bring your Computer/Device!)
 Final Examination Announcements