Course Description
The course will explore the characteristics of international financial markets and evaluate the associated risks and benefits. We will address the distinct foreign exchange risks that multinationals face (transaction, translation and operating exposures), the financial tools they use to manage these risks (currency swaps, futures and options, etc), their foreign direct investment (FDI) practices, tax and working capital management and investment decisions.

Prerequisites
FIN201a (Financial Theory), FIN202a (International Corporate Finance), FIN212a (Accounting and Financial Analysis)

Texts

Copies of the textbook are available at the Brandeis bookstore or you can purchase it at online booksellers, such as http://www.amazon.com. Also, you can purchase and download an online copy (much cheaper!) at:

If you have the previous edition of the book, you may use it. However, I will assign some practice problems from the chapters in the 13th edition, you will be responsible for getting a hold of them.

As appropriate, additional readings will be assigned from relevant media - Financial Times (FT), and Wall Street Journal (WSJ). Ideally, you will read one or both of these papers daily to familiarize yourself with the intricacies of international financial management.

Class Sessions
Copies of the slides used in the class sessions will be distributed at the beginning of the discussion of each topic. I strongly suggest that you read (perhaps quickly) the assigned reading before the class discussion of the topic. In the class discussions, I will usually cover the concepts and issues that are most challenging, reinforcing and extending what is in the required reading. I suggest that after the class session you review the assigned reading to solidify your understanding.

Course Materials Online
This course will rely heavily on the new LATTE platform – the web site will include downloadable files with the class handouts, copies of problem sets and suggested answers. You will need your UNet username and password to log on to the system at https://moodle2.brandeis.edu/my/. You should check this site, and your e-mail regularly for the course announcements.

Office Hours and Communication
I will usually be available for quick questions in the classroom during the several minutes before and after the class session begins. My office hours are on Tuesdays, between 10:00 – 12:00, and on Wednesdays between 3 pm and 4 pm. I strongly prefer that you come to my office hours, but if you cannot make it, I will arrange an alternative time to meet. I usually respond quickly to e-mail messages, so this is an excellent way to contact me if you need to set an appointment. Also, please check your e-mails frequently for course announcements.

TA Sessions and TA Office Hours
Ms. Jing Ren will be holding weekly office hours / problem sessions. TA sessions are optional, but highly recommended. These sessions will give you a chance to ask questions about the material that has been covered in class, and solve the practice questions that have been assigned in class.

One-Minute Memos
As part of your class participation, you will be asked to complete a one-minute memo at the end of every class. The purpose of the 1-minute memo is to establish a direct line of communication from you to me so that I can assess your grasp of the main topics of the day, identify unclear points, and address other concerns. I want students to feel that they can be open and honest in these memos, so your grade is not affected by what you
communicate to me on these memos. After each class I will return to my office to digest your memos. I will then discuss the major questions that were raised during the following class session. In this manner you can get replies to your questions and learn from all the questions your classmates have raised as well. If you are not present, there will be no one-minute memo from you, and an absence will be recorded.

**Course Requirements and Evaluation**

Your grade will be based on two case study reports, the midterm, and the final exam. You will need a calculator during the exams. On the structure of the exams, 80% of it will be pulled out directly from the previous examples from class, lecture presentations, assignments, quizzes, or suggested exercises. The other 20% will be used to see if you can apply the course concepts to more advanced problems. All exams are closed book. You can bring one page (single-side) formula sheet for the midterm exam and one page (double-sided) formula sheet for the final exam.

**Groups**

You will be working in groups for your case study write-ups and presentations. I will randomly create groups of 3 – 4 students. I will announce the groups via e-mail before the second session of the course.

**Short Reports (30%) – INDIVIDUAL WORK**

You will be writing three 1-page reports based on news articles related to the topics we will cover in class. These reports will be submitted individually.

**Class Presentation (20%)**

Each group will make a 20-minute presentation on a selected mini case study during the term. The presentation topics will be communicated a week in advance to the groups along with materials that can be used as inputs for the presentation. The groups will meet with the instructor to go over their presentations during the week of the presentation.

**Final Exam (50%)**

There will be a final exam during the regular final exam period, on the date that set by the Registrar. You are permitted to bring one sheet of paper (8½ by 11 inches) with formulas on both sides, to refer to during final exam. Otherwise, the quizzes are closed-book. I will provide a detailed final exam preparation guide and sample final exam questions.

**Course Policies:**

**Attendance**

Attendance is required. Records of attendance will be kept for each class. Students are allowed one excused absence. Please notify me in advance when you are unable to make it to class.

**Assignments and Exams**

NO LATE SUBMISSIONS ARE ACCEPTED. THERE WILL BE NO MAKE-UP EXAMS. There will be absolutely no opportunity to assign the weight of a missed case-study report or exam to another assignment or exam. If you miss an exam or do not submit the case study analysis on time, you will receive a grade of zero. Therefore, please make every effort in advance to insure that you will be in attendance on the exam dates shown on the syllabus.

If you get sick on the day of the exam, I need to see a note from the health center to verify your condition. In that case, I will work out an alternative arrangement with you.

Calculator
You can use any calculator you would like when working on the assigned exercises, and case studies including scientific, programmable, graphing, financial, or software (such as Excel). However, on the exams (i.e. midterm, and final) you will be allowed to only use scientific calculators.

Students with Disabilities
If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me immediately. For more information go to: http://www.brandeis.edu/disability/

Academic Integrity
You are expected to be familiar with and to follow the University’s policies on academic integrity. Consistent with Brandeis University’s honor code, your exams and assignments must be solely your own work. Any attempt to represent the work of others as your own will be considered plagiarism and will be referred to the Office of Campus Life. Potential sanctions include failure in the course and suspension from the University. Please see the Chapter 4 of “Brandeis University Rights and Responsibilities.” (http://www.brandeis.edu/studentlife/sdc/rr/)

Teamwork
One concern that some students have about working in teams, and consequently about team grades, is the issue of equity. You are expected to make a direct contribution to the development of the assignments and you also have an obligation to make your team work effectively. All students must submit a peer evaluation form to me at the end of the term. The peer evaluation form will be available on-line at the start of the term, please refer to it to understand what is expected from you as a team member. I will use these peer evaluation forms to determine the correct grade for each member of a team. Note: Students who shirk their responsibilities to their team will be unable to get a grade higher than a B- for the semester.
### Course Outline

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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Text</th>
<th>Deliverables</th>
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<tbody>
<tr>
<td>3/13</td>
<td>• International Capital Budgeting</td>
<td>ESM: 18 Cemex Inc. Case</td>
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| 3/20 | • International Cost of Capital  
• Cross-border Acquisitions | ESM: 13, 14, 18 Case: Group Ariel | |
| 3/27 | • Foreign Currency Exposure  
• Managing Transactions Exposure: Futures Hedge, Money Market Hedge, Options Mark et Hedge | ESM: 8, 9, 10 | • 1-page report on international investments |
| 4/3  | • Managing Operating Exposure  
• Managing Foreign Exchange Translation Exposure | ESM: 11, 12 | • 1-page report on currency exposure |
| 4/10 | • Sourcing Equity Globally  
• Sourcing Debt Globally  
• Multinational Tax Management | ESM: 14, 15 | • Student presentations (group work) |
| 4/24 | • Multinational Tax Management  
• International Trade Finance  
• Working Capital Management  
• Wrap-up | ESM: 19, 20 | • 1-page report on international taxation |