

INTERNATIONAL FINANCE - BSE 3330

North Park University
Spring Semester 2012-13

Prof. John Bonie

Office: 773.244.5784

E-mail (office): jbonie@northpark.edu

This course is an introduction to the principles and practices of international finance with a focus on the needs of business enterprises operating in an international arena. Just as there are physical laws that govern the physical universe, the rules of international financial govern the international financial world. Therefore, an understanding of the principles of international finance is important for every successful business professional. In this course, the student will develop an understanding of the logic and methodology of finance used in international business. This course is further based upon three major trends in the business world: (1) the multinational business firm has become increasingly important as a facilitator of international trade and as a producer in host countries where its affiliates are located; (2) the advent of floating foreign exchange rates in 1973, and the subsequent volatility of exchange rates, have added considerable uncertainty to the international business environment in which business firms, investors and governments operate; and (3) since the 1990s, global integration of money and capital markets have increasingly become a reality, creating expanded opportunities for both investors and organizations that need to raise capital. These trends create opportunities and risks for business firms and investors. Through this course, the successful student will be able to analyze developments in international finance to reach supportable conclusions compatible with the financial objectives of a business. The increasingly important role of ethical decision-making is incorporated into the study of international finance.

During this course, students are strongly encouraged to read the following newspapers and magazines: *The Financial Times*, *The Wall Street Journal*, *The Economist* and *Business Week*. Please be prepared to discuss current events from these and other sources.

TEXT: Jeff Madura, **International Financial Management**, 9th edition (2008).
ISBN 13: 978-0-324-56820-2.

INTERNATIONAL FINANCE - BSE 3330

Prof. John Bonie

Page two

Grade: Grading for this course will be based upon the following:

Class Attendance, Preparation And Participation:	15 percent
Homework:	10 percent
Quizzes	10 percent
Ethics Essays:	10 percent
Research Paper:	15 percent
Intermediate Examination:	15 percent
Final Examination:	25 percent

Office Hours: Office hours will be announced after the commencement of the semester.

Class Attendance, Preparation and Participation: You will be evaluated on your involvement during in-class discussions, on the quality of your comments and questions in class, and your homework preparation. You do not have to be an expert in international finance or business, or to have any special knowledge before beginning this course. However, I do fully expect you to be well read on current business affairs, and to be curious and involved. Regular attendance is the only basic requirement for participation, but it alone is not sufficient for a high participation grade. You must prepare required reading materials in time for each class meeting. Please note that class attendance is mandatory. The criteria for assessing class participation:

- A/A- Contributes in a significant way to the classroom discussion by leadership and by regularly adding one's own insight; integrating with or relating concepts to real-world applications and with other topics in this and other business classes; and draws relevant and appropriate observations from readings and assignments.
- B/B- Active participation, may answer only when called, but demonstrates good understanding of international business and financial concepts and application of the material to real-world situations.
- C/C- Minimal participation. Answers only when called upon with little understanding of the material discussed in this course.
- D/D- Present but does not involve himself or herself in class discussion.

The students answers with little more than "I don't know."

INTERNATIONAL FINANCE - BSE 3330

Prof. John BoniePage three

Homework: Generally, homework will be assigned during each class session. Homework that is due by a specific date will be collected. Students turning in homework late will receive no credit on that assignment.

Ethics Essays: During the semester, you are required to write five 500-word essays on international finance or related ethics topics of your choice based upon your reading of general business newspapers and magazines. Business leaders are called upon not only to manage effectively their business in a legal way, but also in a morally responsible manner. These essays are intended to help you develop your moral reasoning by applying important ethical considerations to difficult management decisions. Essays on business ethics must be double-spaced with one-inch margins (2.54 cm.) with 12 point print in Times-Roman, New Courier or similar font. I will need a hard copy of your essays. Please note that North Park University requires that student work must be free from plagiarism, and see my comments on Academic Honesty at the end of this syllabus. Any work submitted by students should be original unless such work clearly and correctly identifies the source of language and ideas, and embodies the spirit of intellectual integrity valued by the University. Please refer to the student handbook or online catalog for further information regarding academic dishonesty. Ethics Essays will be due on February 1, 2008, February 22, 2008, March 21, 2008, April 11, 2008, and May 2, 2008.

Each ethics essay should take the form of a memorandum written to me and include the following elements:

1. Identify the problem: Identify the ethical challenge presented in the situation and address your comments to a particular problem. This is an important step. The value of the remainder of your analysis rests upon identifying the primary ethical issues.
2. Offer solutions to the ethical problem: Draw from the lectures, course materials and outside reading a set of feasible solutions. This step helps to limit your analysis to a finite set of choices.
3. Develop criteria for solving the ethical problem: State your approach to solving the ethical problem. What are the relevant considerations? How did you choose among the alternative solutions? This step allows you to demonstrate your ability to analyze critically the ethical problem and to offer an appropriate

solution.

4. Apply the criteria to the offered solutions: In a straightforward manner, develop a ranking of the offered solutions.

INTERNATIONAL FINANCE - BSE 3330

Prof. John Bonie

Page four

5. Make your recommendation: Your ranking will reveal a recommended solution to the ethical dilemma. State the conditions on which your solution depends, and offer comments as to how to implement this solution.

As undergraduate business students, I fully expect you to cite properly any of the sources used in your essays. You should use the *Chicago Manual of Style* as a model for your writing. Each time you use or paraphrase information in your essay, it must be cited. Only use quotations if the phrase is so important or eloquent that you cannot or do not wish to paraphrase.

Research Paper: Students in this course must submit a research paper on a topic related to international finance. The student must have the topic approved by the professor in advance. This should be done during the first three weeks of the semester. The last day for approval of a paper topic will be Monday, February 4, 2008. A detailed outline of the course paper is due on or before Monday, February 18, 2008. The first draft must be submitted to the professor on or before Monday, March 31, 2008. Students who miss these deadlines will be downgraded. **N.B.** The paper must be at least 15 pages of text and notes, double-spaced with one-inch margins (2.54 cm.), in accordance with *APA Style* (5th edition). The course research paper is due on Wednesday, May 7, 2008.

Intermediate Examination: The intermediate examination will be both an essay and problem examination. Questions may be written in multiple parts. The intermediate examination will be based upon class notes and homework assignments into which I incorporate material from our texts and other readings. Of course, it is important to remember that general, superficial knowledge will be insufficient to do well. **PLEASE NOTE THAT THERE IS NO MAKE-UP INTERMEDIATE EXAMINATION.**

Final Examination: The final examination will be both an essay and problem examination. Questions may be written in multiple parts. The final examination will be based upon class notes and homework assignments into which I incorporate material from our texts and other readings. The final examination will be comprehensive and may contain material from throughout the semester. Again, it is important to

remember that general, superficial knowledge will be insufficient to do well. **PLEASE NOTE THAT THERE IS NO MAKE-UP FINAL EXAMINATION.**

Quizzes: Four short, graded "surprise" quizzes will be given over the semester. The quizzes will be assigned at the beginning of the class period and will be based upon materials reviewed in class and in your text (and outside reading materials). If you miss a quiz, or are late for class and unable to complete the quiz, you will earn no credit for that assignment. **THERE IS NO MAKE-UP QUIZ.**

INTERNATIONAL FINANCE - BSE 3330

Prof. John Bonie

Page five

Extra Credit Assignment - Book Reading: Within the first two weeks of this course, a proposed reading list will be proffered to students. Students who read one of the proffered books will be given an opportunity to answer an essay question regarding the content of the book on the final examination. Students who wish to participate in this extra-credit assignment will advise me no later than two weeks before the final examination as to which book they have selected to prepare.

Topics to be covered in this course include the following:

Module	Chapter	Topic(s)
1	1, 2, 3, 4	The International Financial Environment.
2	6, 7, 8	Foreign Exchange Rate Behavior.
INTERMEDIATE EXAMINATION		
3	9	Foreign Exchange Rate Risk Management.
4	13, 14, 16	Long-Term Asset and Liability Management.
5	19, 20, 21	Short-Term Asset and Liability Management.
FINAL EXAMINATION		

STUDENTS WITH DISABILITIES

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact the Center for Academic Services at 773.244.5737, advising@northpark.edu or to make an appointment at the Center. The Center for Academic Services is located on the second floor of the Student Services Building. Please do so as soon as possible to better ensure that such accommodations are implemented in a timely manner. For further information, please review the following website: www.northpark.edu/ada.

INTERNATIONAL FINANCE - BSE 3330

Prof. John Bonie

Page six

ACADEMIC HONESTY

Consistent with North Park University's Christian heritage and commitment, the School of Management and Nonprofit Management is committed to the highest possible ethical and moral standards. Just as the faculty and staff strive to live up to these high standards, we expect our students to do the same. To that end, cheating or academic dishonesty of any sort will not be tolerated in this classroom. Students who are discovered to be cheating or engaging in academic dishonesty are subject to academic discipline including failure of the course and expulsion.

The University's definition of cheating and academic dishonesty includes, but is not limited to, the following:

1. **Plagiarism**, which involves the use of another person's work as one's own without giving credit to the individual cited. Please note that this includes using materials from the Internet.
2. Copying another person's answers on an examination or case study.
3. Deliberately allowing another person to copy one's answers or work.
4. Signing an attendance roster for another student who is not present.

For further information on this subject, please refer to the Academic Dishonesty section of North Park University's online catalog. Otherwise, please feel free to ask me any pertinent questions.

In conclusion, it is my commitment and North Park's mission to help prepare each student for a life of significance and service. Honesty and ethical behavior are the twin foundations upon which such lives are built. Accordingly, both the University and I expect the highest ethical standards from each student in this course.