



BUSINESS SCHOOL  
Te Kura Pakihi

## COURSE OUTLINE

***FINC 410***  
***Advanced International Financial***  
***Management***

Semester Two, 2020

## Paper Description and Aims

Businesses are operating in an increasingly competitive global environment. Managing businesses either directly or indirectly exposed to international competition requires an understanding of currency risks and international financial markets. This course aims at providing students with an in-depth knowledge of these issues. These main areas are covered: currency risk, currency derivatives and hedging decisions, cross-border financing decisions, cross-border investment decisions, and international financial markets.

## Learning Outcomes

The objectives of this course are:

- To provide an introduction to international finance theory.
- To review and synthesize the fundamental themes in international finance research.
- To explore ideas for doing empirical research in international finance.
- To assess research articles in international finance.

Upon successful completion of this paper, you should be able to:

- Demonstrate an understanding of financial theory pertaining to (1) international financial management and (2) the use of financial instruments in an international context.
- Develop a frame of reference through which to identify, evaluate, and solve financial problems pertaining to the broad area of international finance with or without complete information.
- Demonstrate the ability to present a set of ideas in a clear, concise, and professional manner.
- Develop critical and analytical skills and the ability to work independently and in a team.
- Demonstrate communication and written skills.

## Teaching Staff

### **Paper Coordinator and Lecturer**

Name: Dr Tu Nguyen

Office: OBS 316

Email: tu.nguyen@otago.ac.nz

Office Hours: Wednesday 15:30-17:30

You should contact the paper coordinator with any administrative enquiries about the paper, e.g. requests for late submission of assignments.

## Course Delivery

Lecture Day/Time: Wednesday 1:00–2:50 PM, Thursday 3:00 to 4:50PM

Room: OBS 336 (Wed) and OBS119 (Thu)

Every week students must attend two 1-hours-and-50-minutes lectures.

It is important for you to attend classes. As punctuality is very critical in business, you must attend the class on time. Being late and/or missing classes will always have a negative effect on your class participation score. You are responsible for keeping yourself informed of all announcements and changes made in class.

The textbook is not required, but international finance textbooks are recommended as preliminary and/or supplementary readings for students who did not take any international finance course at the undergraduate level. Compulsory readings mainly consist of 21 selected journal articles and 6 cases.

**Course Calendar** The course calendar (in this outline) details scheduling information. Note that this calendar may change as the course proceeds. Any changes will be announced at lectures and be detailed on Blackboard.

*Students are expected to prepare for and attend all classes to gain full benefit from the course*

Class activities should be prepared for by reviewing information detailed on Blackboard and completing any assigned readings. Students unable to attend a lecture are expected to catch up on missed material. Unless stated otherwise, all aspects of the course are examinable.

## Course Learning Resources

Compulsory readings mainly consist of 21 selected journal articles and 6 cases.

## Blackboard

<https://blackboard.otago.ac.nz/> provides you with access to course materials, class notices, and resources. Blackboard is used to email the whole class so it is important that you check your student email and *Blackboard* regularly.

## Student Webmail

We will use your student email account to email you information relevant to your programme. To forward your University email address to an email address that you use regularly:

1. Log into your StudentMail account (<http://www.otago.ac.nz/smlanding/>) using your student username and password.
2. Click the **Cog** button (top right corner).
3. Click on **Mail** under **Your App Settings**.
4. Under **Accounts** on left hand side, select **Forwarding**.
5. Under the Forwarding heading, type in the email address you want your email to be forwarded to. You can also choose to have a copy of these emails kept on your StudentMail account, so please check the box if you would like this.
6. Click the **Save** button.

## Assessment

All material presented is examinable (except where stated otherwise) by assignments and the final examination. All-important assessment information such as due dates and times, content, guidelines and so on will be discussed at lectures and, where appropriate, detailed on Blackboard. *Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.*

Assessment	Due date	Weight (%) of final grade	Requirements to pass this paper
Test 1	20 Aug (in class)	15%	
Test 2	10 Sep (in class)	15%	
Case studies (Group work)	See Course Schedule	30%	
Paper presentation	See Course Schedule	15%	
Final exam	Exam period	25%	At least 50% mark in the final exam
Total		100%	

## Course Requirements

Each student will be assigned to a group of 4 students for the case studies. Each group will be responsible for presenting and leading the in-class discussion for 1 assigned case. All groups must participate in the in-class discussions. All groups will be responsible for preparing written reports for two common cases, to-be-announced in class. ***You can send request to form case study group (specifying group members) via email to the lecturer by 13 Jul 5pm. Otherwise, you will be assigned to a case study group.***

Students will be required to work in pair to present an article in class and answer questions related to the article. ***You can send request for pair presentation (specifying the pair) via email to the lecturer by 31 Jul 5pm. Otherwise, you will be assigned to a pair presentation.***

There are two internal tests, the specifics of which are announced in class.

One two-hour final examination (accounting for 25% of the final grade), which covers all material assigned/discussed during the semester, will be held at the end of the semester. The date, timing and the location will be announced on Blackboard as soon as it becomes available. Students are allowed to bring in any university-approved model of calculators, books and notes into the exam room.

## Learning Outcomes

Learning Outcome	In-class Tests	Group Case Studies	Paper Presentation	Final Exam	Total
Demonstrate the understanding of financial theory pertaining to (1) international financial management and (2) the use of financial instruments in the international context.	✓	✓	✓	✓	
Develop a frame of reference through which to identify, evaluate, and solve financial problems pertaining to the broad area of international finance with or without complete information.	✓	✓	✓	✓	
Demonstrate the ability to present a set of ideas in a clear, concise, and professional manner.	✓	✓	✓	✓	
Demonstrate critical and analytical skills and the ability to work independently and in a team.	✓	✓	✓	✓	
Demonstrate communication and written skills.	✓	✓	✓	✓	
<b>Total</b>	30%	30%	15%	25%	100%

## Dishonest Practice and Plagiarism

**Students should ensure that all submitted work is their own.** Plagiarism is a form of dishonest practice (cheating). It is defined as copying or paraphrasing another's work and presenting it as one's own. Any student found responsible for dishonest practice in any piece of work submitted for assessment shall be subject to the University's dishonest practice regulations, which may result in serious penalties, including forfeiture of marks for the piece of work submitted, a zero grade for the paper, or in extreme cases, exclusion from the University. The University of Otago reserves the right to use plagiarism detection tools.

Students are advised to inform themselves about University policies concerning dishonest practice and take up opportunities to improve their academic and information literacy. If necessary, seek advice from academic staff, or the Student Learning Centre. The guideline for students is available at this link: <http://www.otago.ac.nz/study/plagiarism/>

## Course Calendar

Session	Date	Topic*	Mode
1	8-Jul	Foreign Exchange Markets - The Basics	Lecture
2	9-Jul	Foreign Exchange Markets - The Basics	Lecture
3	15-Jul	International Parity Relations: Theories and Evidence	Lecture
4	16-Jul	International Parity Relations: Theories and Evidence	Lecture
5	22-Jul	Macroeconomic Policies and Exchange Rates; Currency Crises	Lecture
6	23-Jul	Macroeconomic Policies and Exchange Rates; Currency Crises	Lecture
7	29-Jul	Currency risks and hedging decisions	Lecture
8	30-Jul	Currency risks and hedging decisions	Lecture
9	5-Aug	Cross-border financing and investment	Lecture
10	6-Aug	Cross-border financing and investment	Lecture
11	12-Aug	Case study (Currency risks and hedging decisions)	Group presentation and discussion
12	13-Aug	Case study (Currency risks and hedging decisions)	Group presentation and discussion
13	19-Aug	Case study (Multinational Corporations)	Group presentation and discussion
14	20-Aug	Test 1	
<b>Mid Semester Break 24 - 28 August</b>			
15	2-Sep	Case study (Currency risks and hedging decisions)	Group presentation and discussion
16	3-Sep	Case study (Currency risks and hedging decisions)	Group presentation and discussion
17	9-Sep	Case study (NZ Reserve Bank Policy)	Group presentation and discussion
18	10-Sep	Test 2	
19	16-Sep	Currency risks and hedging decisions	Student presentation
20	17-Sep	Currency risks and hedging decisions	Student presentation
21	23-Sep	Currency risks and hedging decisions; Cross-border financing and investment	Student presentation
22	24-Sep	Cross-border financing and investment	Student presentation
23	30-Sep	Cross-border financing and investment	Student presentation
24	1-Oct	Cross-border financing and investment	Student presentation
25	7-Oct	Course Review	
26	8-Oct	Course Review	
<b>Final exam: During the final exam period</b>			

\*The topics and associated reading are subject to change by the lecturer. Refer to Course Schedule for Reading Lists.

**Lectures End Friday 9 October 2020**  
**University Exam Period 14 October – 6 November 2020**

## Disclaimer

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.