

**International Corporate Finance, FIN3580
College of Business Administration, UMSL
Spring 2022**

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Virtual office hours: Mar.16, March. 23, Apr. 6, Apr.13, Apr. 27, May 4 (Wednesday: 7pm-8pm)

The zoom session is not mandatory but you are encouraged to attend and please keep your camera open. You earn an extra credit up to 1 point per session.

Welcome

Welcome to our FIN3580 International Corporate Finance class! Please read the syllabus carefully and prepare the required textbook and calculator. I hope you will find this course a positive learning experience by the end of the semester!

This course examines the foreign exchange markets and how they shape the environment within which corporate wealth-maximizing decisions are made. We will explore corporate finance in the context of a global environment. Financial managers for an international firm must deal with all the normal problems faced by domestic corporations plus additional foreign exchange and political risks. The objective of this course is to introduce you to financial issues for multinational firms. Besides covering basic tools and techniques, the class stresses the role of the financial manager in analysis and decision-making. Conceptual skills for lifelong learning experiences are emphasized. This course employs a lecture and case format with discussions and exercises.

Instructor Bio

I hold a Ph.D. from the University of California at Irvine, a M.S. degree in International Finance from Fudan University, China and a B.A. degree in International Finance from Nankai University. At the University of Missouri- St. Louis, I was an Assistant Professor from 2005 to 2011, and an Associate Professor from 2011 to 2016. Now I am a Finance Board Scholar and a Professor of Finance. I have taught International Financial Management course for 14 years. I won the Anheuser-Busch Teaching Award in 2011. My research includes credit risk and credit derivatives, empirical corporate finance, and international finance. I published over 30 papers in leading finance and international business journals, including *Journal of Finance*, *Journal of Financial Economics*, *Journal of International Business Studies*, *Review of Finance*, *Journal of Empirical Finance*, *Financial Management*, *Journal of Banking and Finance*, *Journal of International Money and Finance*, etc. I was ranked top 43 among 1400 finance faculty

nationwide in terms of productivity in 2014. My google scholar citation is over 2800. I received research awards from the FDIC Center for Financial Research, Univ. of Missouri at St. Louis, Univ. of California at Irvine, and Fudan University and teaching award from Univ. of Missouri at St. Louis. My papers were presented at high-profile finance conferences including NBER, AFA, WFA, FDIC, OCC, Bank of Canada, CDIC, European Central Bank, Bank of Finland, etc. I served as a referee for over 40 journals and grants in the U.S. and abroad. I am married with two boys and a girl.

Teaching Philosophy:

After almost three decades in the field of finance, I believe International Finance is one of the most fascinating things you will ever study. I am amazed at its logic, elegance and relevance. It is a very broad field, encompassing the disciplines of Corporate Finance, Economics, Math, Statistics, Politics, and Psychology. You will find numerous applications of various theories and models of international finance in the real-world scenarios.

UMSL Bulletin Description:

The objective of this course is to introduce students to financial issues for multinational firms. Besides covering basic tools and techniques, the class stresses the role of the financial manager in analysis and decision-making. Topics include the impact of international accounting and tax issues, capital budgeting in a foreign environment, transfer pricing, and global funding. Conceptual skills for lifelong learning experiences are emphasized. This course employs a lecture and case format with group discussions.

Course Objective:

This course examines the foreign exchange markets and how they shape the environment within which corporate wealth-maximizing decisions are made. The course is designed for graduate students who have a good understanding of basic economics, corporate finance and asset valuation. As capital markets of the world are becoming more integrated, a solid understanding of international finance has become essential for corporate decision making. This course focuses on various financial issues facing multinational corporations, the most important of which is the management of *foreign exchange risk*.

First we will examine the environment of multinational financial management, including: international financial markets, economic determinants of exchange rates, international monetary system and emerging market crisis, balance of payments, and international parity conditions. Then we will discuss foreign exchange derivatives and how multinational companies (MNCs) manage their translation, transaction and economic exposures to exchange risk.

Students are expected to achieve the following course goals:

1. Analyze the relationship between the real economy factors (inflation, interest

- rates, GDP, country risk) and foreign exchange rate movement, and the impact of exchange rate movement on balance of payments and real economy.
2. Identify and manage different types of foreign exchange risk for multinational corporations using currency derivatives.
 3. Propose different ways for multinational corporations to maximize the opportunities available in the global financial markets.

Required Text:

Cheol Eun and Bruce Resnick, International Financial Management, Edition: 9. ISBN-13: 9781260013870

This course is part of our AutoAccess program designed to reduce the cost of course materials for students. You will be able to access the digital content for this course through Canvas on the first day of class automatically.

Your student account will be charged for the cost of the digital course material. The lowest cost content has been sourced. If you choose to opt out of the content please do so by Sept 7, 2021 to receive a refund. You will be sent an AutoAccess Welcome Email that will provide charge amounts, the opt-out process and any additional information needed for your AutoAccess course(s) beginning August 9, 2021.

Recommended Readings:

Regular outside readings will enhance the understanding of the subject, and it is highly recommended. Students are encouraged to read the following regularly:

Newspapers: *The Wall Street Journal*; *New York Times*; *BusinessWeek*; *Financial Times*

Magazines: *The Economists*; *Euromoney*; *Business Week*; *The Far Eastern Economic Review*

UMSL has purchased campus subscriptions for both *the Wall Street Journal* and *the New York Times*

Instructions to log in using your UMSL information can be found [here](#). It can easily be accessed via computers, phones & tablets.

Course Page:

We will be providing all course related items (syllabus, lecture notes, assignments, announcements etc.) on [Canvas](#).

Time Requirements:

This course is on an eight-week accelerated schedule. If this course were offered on campus, you'd be in class 5 hours/week plus travel time. The online version is no different in terms of

expectations for your involvement. This is an active online course that requires you to read the required materials, watch the narrated PPT lectures, and complete the assignments. That means that you need to plan to spend a minimum of **12** hours every week (up to 20 hours a week) on activities related to this course. If you are worried about your preparedness, consider taking the [Online Readiness Survey](#) to help decide if an online course is right for you.

Technology Requirements:

As a student in online course, you are expected to have reliable internet access almost everyday. If you have computer problems, it is your responsibility to address these or to use campus computing labs. Problems with your computer or other technology issues are not an excuse for delays in meeting expectations and missed deadlines for the course. If you have a problem, get help in solving it immediately. At a minimum, you will need the following software/hardware to participate in this course:

1. Computer with an updated operating system e.g., Windows, Mac, Linux)
2. Updated Internet browsers (Apple Safari, Google Chrome, Mozilla Firefox)
3. Ability to navigate Canvas
4. DSL or Cable internet connection or a connection speed no less than 6 mbps.
5. Media player such as VLC Media Player.
6. [Adobe Flash player \(free\)](#)
7. [Adobe Reader or alternative PDF reader \(free\)](#)
8. [Oracle Java plugin \(free\)](#)
9. [Microsoft Silverlight plugin \(free\)](#)
10. A webcam and a microphone (for online presentation via voicethread)

How this course works:

This course is divided into eight modules. I have recorded lectures using audio comments slide by slide via Voicethread. You may download PPT files by right clicking on any slide on Voicethread and then clicking 'Download the original media'. You are expected to read the textbook, listen to the pre-recorded PPT lecture notes, and complete assignments. You'll learn that there is a rhythm and a wide range of time during which you can complete those activities, as I know you have a complicated work/life schedule already. Please plan to complete assignments as early as you can, though, to allow for any complications you may encounter submitting your work.

In each lecture notes, there are some in-class exercises. They are not graded. You are responsible for working on these exercises by yourself and then comparing your answers to the Solution to the In-Class Exercises posted in each module. The quizzes to be graded are listed separately. The

Overview and Agenda page at the beginning of each module will give you an outline of the activities you need to complete and there are deadlines for each assignment. You'll learn that there is a rhythm and a wide range of time during which you can complete those activities, as I know you have a complicated work/life schedule already. Please plan to complete assignments as early as you can, though, to allow for any complications you may encounter submitting your work.

This course is delivered using an asynchronous model. This means that each module offers you some flexibility within which to work. There are deadlines, however, and this is not a self-paced course. Because of the nature of the group discussions and projects, you cannot work ahead without the rest of the class. I believe strongly in social constructivism and want us to construct meaning together as we experience this course.

Instructional methods used in this course include lectures, discussions online, research projects, presentations, and exams. I have structured the activities to encourage feedback from your peers as well as from me. Expect responses to your email within 48 hours, though I usually respond within 24 hours.

Course Policies:

Attendance Policies

- *Present* in class for online courses is determined by participation in an “academically related activity,” i.e. submission of an assignment, assessment or discussion forum posting. The last day of attendance is the last day a student is academically participating in the online course.
- Documentation that a student has logged into an online class is not sufficient by itself to demonstrate academic attendance.

Participation (expectations)

It is vitally important that our classroom environment promote the respectful exchange of ideas. This entails being sensitive to the views and beliefs expressed during discussions online.

- I will not respond to each discussion post but will be monitoring each discussion. I will reply to questions if you have any.
- Your success in this course will heavily depend on your ability to communicate, engage and participate in all course activities. Successful completion of this course requires that a student keep up with all assignments, coursework and discussions. Timely submission of assignments and participation in online discussions are very important parts of this course and participation in these discussions, and other activities as assigned, is not optional. You are expected to prepare and post to discussions in a timely manner

consistent with the requirements contained within the course syllabus and discussion rubric.

- If you are unable to participate in the scheduled class activity or discussions you must notify the instructor within the week of that class module or discussion. **An unexcused failure to engage or participate with the class will be counted as an absence; unexcused absences may result in failure.** The instructor reserves the right to make judgment to accept and/or make-up assignments missed because of failed participation in the course activities.

Grades:

Your overall course grade will be based on your performance on two exams, exercise and quizzes, the final project and presentation, and your class participation. Each graded item has the following assigned points. These relative weights of each graded item will determine your final grade.

Types	Percentage
Module 1 Discussion: Introduce yourself	4%
Module 1 Final project group and choice submission	3%
Module 1 Quiz 1	4%
Module 2 Quiz 2	2%
Module 3 Mini-Case presentation	5%
Module 3 Quiz 3&4	4%
Module 4 Quiz 5	2%
Midterm Exam	20%
Module 5 Quiz 6&7	4%
Module 6 Quiz 8&9	4%
Module 7 Lecture 12&13 Discussion	6%
Final Exam	20%
Final project paper	12%
Final project presentation	10%
Total	100%
Extra credit:	
zoom session participation (1% per session)	6%
Peer review of final project presentation	3%
Upload midterm exam note sheet	1%
Upload final exam note sheet	1%
Teaching evaluation	1%

GRADING SCALE

Grade	Percentage
A range	93-100
A- range	90-92
B+ range	87-89
B range	83-86
B range	80-82
C+ range	77-79
C range	73-76
C- range	70-72
D range	60-69

Letter grades will be based on the final total points. Plus and minus grades will be given. In marginal cases I intend to reward high quality (consistent, constructive and contributory) class participation.

"Make-up or extra work" to improve your grade is *not* possible. Your final letter grade is determined solely by your scores on the tests, the final project, and my evaluation of your class participation. No special considerations concerning your general academic situation can be offered. The final grade in the course, once assigned, will not be changed except in the event of a recording error.

Zoom Session Participation:

You can earn up to 6-point extra credit by actively participating in the zoom sessions (see the first page of Syllabus for zoom meeting dates). These sessions aim to provide help for your homework, assignments, questions, and foster discussion of current events in the finance field. Each session is one point.

Assignments:

You are expected to receive your grades for assignments **in a week** or shorter after the due day.

Test:

Two closed-book computer-based tests will be held via Canvas during specified time windows. To be eligible to complete the exam online, you'll need a location free from distraction and internet access. During the current difficult time, I make the exams un-proctored. However, please following the rules below for the exams:

- It is a closed book exam. You can only refer to one-page one-side note sheet and no other textbook or web resource is allowed.

- You must complete the exam in one sitting. That means you can't start the exam and come back later to finish it.
- The exam must be completed in 3 hours unless you have already notified me of an approved accommodation for extended time (from Disability Access Services).
- The questions will be delivered one at a time without the ability to go back and change an answer.
- You can only take the exam one time.
- Do not share the exam or note sheet with anybody else.

No make-up exams will be given without legitimate excuses and proof. If the legitimate excuses are foreseeable, they must be submitted two weeks prior to the scheduled exam. If they are unanticipated such as medical emergencies, you should be able to produce documentation if asked. Requests for excuse from a test must be made *in writing* (email is OK) and, except for extreme emergencies, prior to the test. *Students missing any test or failing to turn in Final Project will result in withdrawal from the class or an 'F' grade.*

Group Projects: Mini-Presentations and Final Presentation

There are two group projects/presentations in the course. One is a mini-presentation in Module 2, and the other is a final group project and presentation. Please form **a group of 4 persons** on your own by the end of the first module.

For the mini-presentation, please refer to the detailed instruction in Module 2/Mini-presentation Assignment. Each group works on a question related to Chapter 2 of the textbook and Lecture note 4. The question number is the same as the final project number that you submit and I assign to you (see the instruction on the final project in the next paragraph). You will prepare 6-10 slides to accompany with your presentation. Your presentation should center around the question, but not be limited to simply answering the question. Please record your group video presentation by adding **video** comments using Voicethread. The total presentation time is 6-10 minutes. Your answer should not be copied from Wikipedia /Investopedia, and avoid reading directly from a paper for your presentation. For grading, please refer to "Starting here/oral presentation rubric" on Canvas Module page.

For the final group project, please read the following instruction (final project topics are included in Module 1/Final project group and topic choice assignment).

1. For each group, submit the group member full names and the four choices of topics in the 'Final project group and topic choice' assignment **before the end of the first module. Each group just needs to turn in one copy.** I will assign the topic based on the "first come, first

served' principle. Make a step-by-step plan for the project. Start exploring secondary resources for your topic. Identify early the original sources of data you might want to collect. Be sure to get the best, most current, and most relevant sources of contents available.

2. Each group is required to submit a written paper, which is **20+ pages long (including figures, graphs, and reference)**. The paper should be typed, numbered and double-spaced. The final paper should have one writing style, no grammatical errors, self-contained, and logic. Make sure that you credit works you have cited in the alphabetical order. Your paper or part of your paper should not be copied from **Wikipedia /Investopedia**. Plagiarism is prohibited and has severe consequences. Please take academic integrity seriously! The final project paper will be evaluated generally by the following criteria: following instructions, depth of analysis, research quality, business/international finance applications, grammar, creativity, neatness, and other considerations including title page, table of contents, reference, and appendix. For grading, please refer to 'Starting here/writing assignments rubric' on Canvas Module page.

3. Each group will make a **20+ minute presentation** of your final project paper via a video Voicethread. Each student has an equal share of 5+ minutes. You should develop power point slides for presentation. Presentation should be logic and cohesive. Make sure you can be heard, do not read from notes, have eye contact with the audience, use body language, and you have prepared excellent content. You should show understanding of the topic. Reading materials directly from the note cards will hurt your presentation grades. The evaluation of the presentation is primarily based on substance and partly on style. It is helpful if you think of yourself as a consultant. Like any consulting assignment, your presentation should be organized and structured as if you were actually presenting it to your client. For grading, please refer to 'Starting here/oral presentation rubric' on Canvas Module page.

4. Each group should submit an electronic copy of your final paper in doc/docx/pdf format and power point slides and the voicethread link via Canvas assignment before due day. Please make sure you check your school emails. If your group members send you emails about the project and you don't respond within 3 days, you may be left out from the team, and work on the entire final project **by yourself**.

5. Please watch the video presentations of other group's projects. This is an important learning process and an integral part of our course by viewing what other did on many interesting and timely topics. You will get up to 4-point extra credit if you submit peer reviews by writing in a text entry box or uploading a word file for other groups' project with recommended grade (1-10) and your detailed comments. You may use the 'Starting here/oral presentation rubric' on Canvas Module page) to justify the grade. The score should be a fair evaluation of the quality of the presentation. For example, if you give 10 to all projects even if they vary a lot in terms of quality, your score for this assignment will be affected.

How to receive Canvas Messages:

Please update your Canvas notification settings to receive the following types of communications by email. Have a green check mark next to the following Notification Preferences:

<https://umsl.instructure.com/profile/communication>

- Announcement
- Announcement Created By You
- Added to Conversation
- Conversation Message
- Conversation Message by You

You may choose preferences for other course activities as you wish.

How to Succeed in This Course

Watch the lecture slides and video: After you listen to the lecture, you should have a comfortable understanding of the major points that we made, and the purpose of each example worked.

After class: Do the detailed reading of the chapter. Pay particular attention to the examples, graphs and other aids that make the major points of the chapter. Then, attempt the questions and problems that I assign. Regular readings each week is important.

Ask yourself such questions as:

What is the purpose of this concept or formula?

Why is it important?

How does the instructor or the author demonstrate its importance?

How does it "fit" with what you have studied thus far in this course, in your other courses and in the real world?

Some topics that are very important (for example, international parity conditions) are covered in great detail, while others will only be reviewed briefly due to time constraint. The Powerpoint slides and my audio-recorded comments contain important points in this course. Use them as a guide for your studying efforts. You should thoroughly work through the questions and problems associated with each topic. Working the problems ensure you truly understand the processes they illustrate.

Course Plan for the Unexpected

Please stay informed about university policies, instructions and resources as they relate to the [COVID-19 pandemic](#). It is important to me that you stay on track toward your degree completion. This section presents our course continuity plans for how we will handle situations to avoid disruption to your learning.

Academic Integrity/Plagiarism

Our conduct in this course will be consistent with the Student Conduct Code. Please read it and pay particular attention to the section on academic honesty. During exam you have to rely entirely on your own intellectual endowments. There are serious consequences including failing grade and additional sanctions for engaging in unethical conduct.

- You are responsible for being attentive to and observant of University policies about academic honesty as stated in the University's Campus Policies and Procedures in the [Triton Manual](#) (p. 30)
 - Academic dishonesty is a serious offense that may lead to probation, suspension, or dismissal from the University. One form of academic dishonesty is plagiarism – the use of an author's ideas, statements, or approaches without crediting the source. Academic dishonesty also includes such acts as cheating by using any unauthorized sources of information and providing or receiving unauthorized assistance on any form of academic work or engaging in any behavior specifically prohibited by the faculty member (e.g., copying someone else's answers on tests and quizzes). Unauthorized possession or distribution of academic materials is another type of academic misconduct. It includes the unauthorized use, selling or purchasing of examinations or other academic work, using or stealing another student's work, unauthorized entry or use of material in a computer file, and using information from or possessing exams that an instructor did not authorize for release to students. Falsification is any untruth, either verbal or written, in one's academic work. Facilitation is knowingly assisting another to commit an act of academic misconduct.
Plagiarism, cheating, and falsification are not acceptable.
 - All instances of academic dishonesty will be reported to the Office of Academic Affairs who will determine whether you will appear before the Student Conduct Committee for possible administrative sanctions such as dismissal from the university. The instructor will make an academic judgment about the student's grade on that work in this course. The campus process regarding academic dishonesty is [described in the "Policies" section of the Academic Affairs website.](#)

Access, Disability and Communication

Your academic success is important. If you have a documented disability that may have an impact upon your work in this class, please contact Disability Access Services (DAS) immediately. Students must provide documentation of their disability to the office of Disability Access Services in order to receive official University services and accommodations. The staff is available to answer questions regarding accommodations or assist you in your pursuit of accommodations. Information about your disability is confidential. Once DAS reviews your medical documentation, they will provide you with the information and steps to inform me about

the accommodations to which you are entitled. Your accommodations will begin as soon as we discuss your approved accommodations.

- 144 Millennium Student Center
- Phone: (314) 516-6554
- [Email](#)
- [Website](#)

Resources

Technical Support

The Online Mentor Program is here to help you with the online learning environment. The mission is to support online students to enhance their learning experience, develop strategies for academic success, and assist with course navigation. The **Online Mentor Program** is housed in the Center for Teaching and Learning

- 598 Lucas Hall
- Phone: (314) 516-4211
- [Email](#)
- [Website](#)

Canvas

If you have problems logging into your online course, or an issue within the course site, please contact the **Technology Support Center**:

- Phone: (314) 516-6034
- [Email](#)
- [Website](#)

If you are having difficulty with a technology tool in Canvas, consider visiting the [Canvas Student Guides](#), which has overviews of each tool and tutorials on how to use them.

VoiceThread

- [Online Contact Form](#)
- [Website](#)

Academic Support

The Online Writing Center

At the OWC Canvas site, students can send their papers to our tutors, who will read them and send them back with suggestions. Students can also access Turnitin, which identifies quoted material in their essays.

- 222 Social Sciences and Business Building (SSB)

- [Website](#)
- Visit the OWC page on Canvas to submit drafts online.
- The OWC usually responds within 48 hours. Please allow ample time.

Math Academic Center (Math Lab)

The Math Academic Center offers free individual assistance on a walk-in basis to students needing help with any mathematics from basic math through calculus or any course involving mathematical skills.

- 222 Social Sciences and Business Building (SSB)
- [Website](#)

Online Discussion Protocol

- Participation in the course should maintain a positive work and learning environment, as outlined in the [Triton Manual](#).
- Postings should be evenly distributed during the discussion week.
- Postings should be a minimum of three sentences, or one short paragraph, and a maximum of two paragraphs.
- Responses should be well written with proper punctuation, spelling and grammar.
- Avoid short one-word postings, for instance, “I agree,” unless accompanied by supporting statements from the readings or prior knowledge (work and life experience).
- Stay focused on the topic.
- Ask questions; challenge other postings that lack supporting evidence or present incorrect information.
- Encourage further discussion by building on current threads.
- Check your postings for responses from others and respond in kind.
- Use proper [“netiquette”](#).

Online Class Netiquette/behavior

- **Be self-reflective** before you post an emotional response and reread what you have written to be sure it is positive. Think of your comments as printed in the newspaper. Your online comments will be seen, heard and remembered by others in the class.
- **Use effective communication.**
 - Avoid the use of all caps or multiple punctuation elements (!!!, ??? etc).
 - Be polite, understate rather than overstate your point, and use positive language.
 - If you are using acronyms, jargon or uncommon terms, be sure to explain them so everyone can understand and participate in the discussion.
- **Ask for clarification** to a point if you feel emotional from a classmate's post. It is likely that you misunderstood his/her point. This strategy will also help you step away from the intensity of the moment to allow for more reflection.
- **Sign your name.** It is easier to build a classroom community when you know to whom you are responding.
- **Foster community.** Share your great ideas and contribute to ongoing discussions. Consider each comment you make as one that is adding to, or detracting from, a positive learning environment for you and your classmates.
- **Be constructive.** You can challenge ideas and the course content, but avoid becoming negative online. When you disagree politely you stimulate and encourage great discussion. You also maintain positive relationships with others with whom you may disagree on a certain point.
- **Keep the conversation on topic** by responding to questions, adding thoughtful comments about the topics at hand. Online dialogue is like conversation. If there is a particular dialogue going on, please add to it, but if you have something new to say, please post it in another thread.
- **Define your terms.** When using acronyms or terms that are particular to your field (or new to our course), please define them for others.