

San José State University
LCOB/Accounting & Finance
BUS 177, International Business Finance, Sec 1&2, Fall, 2018

Course and Contact Information

Instructor: Anu Vuorikoski
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Office Hours: In Office:
Tuesdays 4:30-5:30, Wednesdays 12:15-1:15 & 4:30-5:30
Via Zoom: By appointment 7 days a week and on on-line days.
No hours/meetings after evening class.

Class Days/Time: Section 1: Wednesdays at 1:30pm to 4:00pm (break at end)
Section 2: Wednesdays at 6:00pm to 8:30pm (break at end)

Classroom: Section 1: BBC 321
Section 2: BBC 305

Prerequisites: Bus 170 with a C or above
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Course Format

This course meets in BBC for lectures and “flipped classroom” problem solving Exercises using Excel. However, the class has 2 recorded live on-line ZOOM recorded sessions with active participation earning credits. A 3rd on-line session may be added if situation requires it. All students will need to access to ZOOM, including audio, during those sessions. All students will need to access Canvas at MINIMUM once a week and MUST submit assignments as Canvas Assignments uploads ON TIME on TUESDAY ahead of class. NO points for late delivery by email barring documentable medical and similar issues or documentable SJSU issues. Microsoft Office, especially Excel and PowerPoint, is a requirement in this class. While computers are available **student’s own PC mouse** may be helpful in allowing students to follow the examples. Use of your own computer is allowed during class and Quizzes but Lockdown Browser is required for Quizzes. During Exams only SJSU computers are allowed. Recording Permissions: As we have recorded ZOOM Sessions, you may be asked to agree to being recorded. To record my lectures or demos, you need to inform me of your intent. Taking pictures of material on the whiteboards and walls is always allowed without specific notification.

Faculty Web Page and MYSJSU Messaging

Course materials such as syllabus, handouts, notes, assignment instructions, etc. can be found on the Canvas learning management system (LMS) course website on [Canvas Learning Management System course login website](http://sjsu.instructure.com) at <http://sjsu.instructure.com> Students are responsible for regularly checking with the messaging system

through [MySJSU](http://my.sjsu.edu) at <http://my.sjsu.edu> to learn of any updates. Students should connect Canvas to their regular email and phone. The Syllabus, Agenda, Deliverables and Day1 Materials can also be found on the faculty website: <http://www.sjsu.edu/people/anu.vuorikoski-bullis/>

Course Description (Required)

Catalogue Description: Focuses on the determination of exchange rates and the workings of international financial markets. Develops exchange rate parity relationships and techniques for hedging exchange rate risk. Strategies for managing working capital, long term debt, fixed asset selection and international financial reporting are also examined.

General Description: These Sections of Business 177 focus on the determination of exchange rates and the workings of international financial markets centering on how a multinational company operates in this environment. We discuss exchange rate parity relationships and practice techniques for hedging exchange rate risk and for forecasting rates. Company strategies for managing working capital, long term debt, fixed asset selection and international financial reporting are also examined. We focus on current events and the last 5+ years, only referring to long term history and long ago crises when they help explain current situation. As the professor is a former CFO of global companies very practical management focus will be adopted after the theory foundation has been laid. A review of necessary 170 concepts will be conducted as necessary in conjunction with review of key Excel features. Possible global guest speakers in person or via Telepresence have been invited and schedule will be adjusted to accommodate their schedule as necessary. Team Country Presentations and Company Presentations and a Trade Game (or a new one) add to the learning environment.

Course Learning Outcomes (CLO)

From the perspective of a financial manager in a multinational company, understand the key factors and decisions that influence financial results and valuation of a multinational company.

LO1: Describe the basic theory of comparative advantage. This will be satisfied by being able to answer quiz questions about it after reviewing the class materials and lecture.

LO2: Understand the origins and development of the European Union, the Euro and recent events (such as Brexit vote in June). This will be satisfied by being able to answer quiz questions about it after reviewing the class materials and lecture.

LO3: Illustrate how nations measure their own levels of international economic activity through Balance of Payments. This will be satisfied by being able to answer quiz questions about it after reviewing the class materials and lecture and International Trade Game.

LO4: Comprehend the terminology and logistics of currency trading. Be able to communicate with currency dealers and financial institutions when conducting foreign exchange transactions for business or pleasure. This will be satisfied by being able to answer quiz questions about it after reviewing the class materials and lecture and by being able to calculate the values of one currency in terms of another on almost every homework assignment and exams.

LO5: Define and calculate foreign exchange spot, and forward transactions as well as cross rates and be able to determine if an arbitrage profit is possible. This will be satisfied by completing the Triangular Arbitrage and related homework and by being able to do those calculations on the Exam.

LO6: Understand how the spot and forward foreign currency rates are aligned with interest rate and inflation differentials and use the information to forecast rates and/or to determine if an arbitrage profit is possible. This will be satisfied by completing the Parity homework and being able to do all the calculations on the Exams.

LO7: Learn how to research a foreign country using publicly available data and to present findings to an audience. This will be satisfied by actively participating in the Country Presentation Team Project.

LO8: Distinguish between transaction, operating and translation foreign exchange exposure. This will be satisfied by completing the Hedging Homework and being able to do the calculations on the Exam.

LO9: Learn about techniques used to hedge FX exposure and be able to calculate the outcome under each method. This will be satisfied by being able to answer quiz questions about it after reviewing the class materials and lecture.

LO10: Be able to calculate future free cash flows and present values when foreign exchange rate changes cause change in pricing and or volume. [As operating and translation exposure require command of basic financial statements, financial statements and present value concept from 170 will be reviewed through Company Presentation..]. This will be satisfied by completing Company Team Presentation, Operating Exposure and Capital Budgeting Homework and being able to do the calculations on the Exam.

LO11: Understand the differences of the two main methods of currency translations and be able to calculate Income Statement and Balance sheet impact of sudden FX rate change. This will be satisfied by completing Translation Exposure Homework and being able to do the calculations on the Exams.

LO12: Understand companies' choices for entering foreign markets. This will be satisfied by being able to answer quiz questions about it after reviewing the class materials and lecture.

LO13: Be able to determine project and parent future cash flows and to decide if a company should undertake a capital budgeting project (such as starting or acquiring and operation) in a foreign country looking at both project perspective and parent perspective. This will be satisfied by completing the Capital Budgeting Homework and being able to do the calculations on the Exam.

LO14: Understand how working capital management is complicated by multinational operations and be able to calculate the cost savings offered by centralizing cash and multilateral netting. This will be satisfied by completing the Working Capital Management Homework and being able to do the calculations on the Exam.

LO15: Be able to research and analyze the performance of a foreign multinational company. This will be satisfied by participating in the Company Team Project.

Required Texts/Readings (Required)

Textbook

RECOMMENDED: Multinational Business Finance, Eiteman et al

EDITION: ANY published 2014 or later PUBLISHER: PEARSON ISBN: Depends on Edition

Other Readings

REQUIRED: All class materials in "MODULES" as well as Current Articles from the Economist, Wall Street Journal, Harvard Business Review, and other sources which will be distributed via Canvas Link or e-mail Link as they relate to the material being studied. Example:. In Fall 2018 articles will be determined by current developments.

Other equipment / material requirements

As stated above, students will need to use a computer in this class. Each class has computers available to check out against Student ID but students should bring their own mouse and may bring their laptop to regular classes and Final Quiz which will use Lockdown Browser. During the closed book exams ALL students will be required to use SJSU computers.

Course Requirements and Assignments

The Course Schedule and Assignments are incorporated herein by reference. Schedule is available in two forms: As an Excel Sheet and on Canvas. All Assignments and grading are available on Canvas.

NOTE that [University policy F69-24](http://www.sjsu.edu/senate/docs/F69-24.pdf) at <http://www.sjsu.edu/senate/docs/F69-24.pdf> states that "Students should attend all meetings of their classes, not only because they are responsible for material discussed therein, but because active participation is frequently essential to insure maximum benefit for all members of the class. Attendance per se shall not be used as a criterion for grading."

“Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally three hours per unit per week) for instruction, preparation/studying, or course related activities, including but not limited to internships, labs, and clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus.”

Final Examination or Evaluation

The Final Exam Quiz is a comprehensive cumulative Concept Quiz style exam worth 14 Points. The two prior Quizzes during the semester are very similar but test less material.

The Final Exam Quizzes will be on SJSU Fall Exam Dates

If student has a DOCUMENTED Conflict, student will be given an option to take a different version only at times to be announced.

Grading Information (Required)

Grading Policy, Grade Review Policy and Student Contract

ALL Assignments MUST be submitted ON-TIME, via correct Canvas Assignment for full credit. Only exception: Students trying to add will be given either permission to email or the Assignment will be made available for 2 days from the day add codes are provided (in Case of Open University, additional availability may be necessary). There are two Team Assignments and rest are Individual. Team Assignments below:

Research Assignment 1: Team prepares a 10 minute structured presentation on a country or group of countries. Teams are assigned via Canvas. Peer review will determine participation.

Research Assignment 2: Team researches a multinational company listed in the US and gives a report back answering questions provided. A class demo and an outline provide structure. Active participation in in class demo and/or giving the report determine participation. Peer review will determine if credit will be given to all members.

Grading Item	POINTS (not %)
Excel Exam II	30
Excel Exam I	22
Final Comprehensive Concept Quiz	14
2 Quizzes @ 5 Each	10
Homework	10
In Class Exercises	8
Presentations	4
On-Line Exam Review Session Participation	2
TOTAL	100

During exams and the Quizzes you are NOT allowed to use a cell phone or programmable calculator. You are allowed a blank sheet of paper to take notes before you answer a question and a 5 x 8 HANDWRITTEN Note Card (both sides). No Internet access allowed during Exams or Quizzes. Any irregularities will result in “0”

points.

***NO MAKE UP Exams or Quizzes. ***NO Extra Credit Assignments without documentation.**

Points for each Module will be updated weekly if at all feasible. If for ANY reason, and adjustment is necessary, it will be student's responsibility to make sure that they request an adjustment within 5 days and check it has been made after the request. See the **Grade Review Policy** in Module I. The **ONLY** adjustments necessary should be for items due **PRIOR** to add codes being given to students. And those adjustments will be made by extending the available time for those Assignments for the specific student. All assignments will be **AUDITED** for being full submissions. Points may be deducted as a result of **AUDIT**.

NO curve, NO weights and NO Letter Grades will be assigned prior to end of semester. Only Points Count. Exams are not graded on a percent basis as partial credit requires point item counts of correct or missed. Points for Exam 2 and Semester-To-Date will be updated on Excel **ONLY** and Canvas will be shut down as the 2 Sections will be graded and force ranked together. With anticipated 90 students between the 2 Sections, grading of Excel exams with partial credit available takes from 20+ minutes for the early ones to an average of 7-12+ minutes per exam after that. While it varies by semester, the fastest is about 15-20 hours for 90, so Friday night is the earliest possible after a midterm. The 2nd Exam usually goes well into the weekend.

Grading Scale at end of Semester: A's >88 points, B's >77 points, C= 70 points, F <60. Typically, this class earns "normal distribution" of grades as many students achieve well over 90 points. It is possible that a curve will be applied at the end of semester if the distribution is really wide. All grades from A+ to F will be used. Occasionally a +/- grade is omitted if there is a wide gap in scores.

Points	Grade
88 +	A-/A/A+
>77 – 87.5	B-/B/B+
>70 – 76.5	C/C+
<60	F

The Quizzes will be graded by Canvas. In a Multiple Answer quiz Canvas allocates partial credit and deducts for wrong answers. The two Excel Exams receive partial credit as long as Excel is used for calculations rather than typing in numbers calculated in some other means.

All questions/calculations are based on material assigned and/or discussed and/or presented in class. Format/wording may not be exactly the same as class materials or recommended book. For EXCEL Problems, a Data Table will be provided with all possible assumptions ready to be referred to. Data Table may include items for more than one calculation and requires understanding which data belongs to which calculation. Linking between worksheets in Exam Workbook may be the fastest way to do exam but alternate (longer) methods will be allowed. No calculators are allowed. "Hard coding" will not receive any partial credit or possibly any credit.

There are **NO** make-up exams under any circumstances. If an exam is missed for a documented reason (Emergency Room, Hospital, Governmental Appointment, the other exam % will be applied to the points for the other exam/quizzes (i.e. more of your grade will depend on a single exam/quiz). If exams/quizzes are missed for any other reason, the grade is 0.

Students who have NOT missed ANY Homework, Exercises, Quizzes or Exams have the OPTION to opt out of the Final Exam Quiz. Their score for the Final Exam Quiz will be calculated as Points Total After Exam 2/Total Available * 14 Points. They will still need to attend the Final Quiz session and take an ungraded Survey.

Updated Grades will be available via Excel ONLY since sections are graded together prior to MySJSU grades being finalized. Canvas will be shut down as it seems to confuse students.No Canvas adjustments will be made unless review is requested according to policy.

All students have the right, within a reasonable time, to know their academic scores, to review their grade-dependent work, and to be provided with explanations for the determination of their course grades.

Classroom Protocol

Lucas College and Graduate School of Business: Program Goals and Class room policy
<http://www.sjsu.edu/cob/Students/policies/index.html>

University Policies

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs' [Syllabus Information web page](#) at <http://www.sjsu.edu/gup/syllabusinfo/>"

**Bus 177/International Finance One Page Fall 2018 Schedule is Incorporated
Herein by Reference to Posted on Canvas "177 Fall 2018 Schedule.xls"
Full schedule/grading available on Canvas.**