

3209AFE

International Finance

Semester 1 2010

Academic Organisation:	Department of Accounting, Finance and Economics
Faculty:	Griffith Business School
Credit point value:	10
Student Contribution Band:	Band 3A
Course level:	Undergraduate
Campus/Location/Learning Mode:	Gold Coast / On Campus / In Person Nathan / On Campus / In Person
Convenor/s:	Mr Astrophel Choo (Gold Coast) Mr Astrophel Choo (Nathan)
Enrolment Restrictions:	Nil
This document was last updated:	17 December 2009

BRIEF COURSE DESCRIPTION

International Corporate Finance focuses on financial management from the perspective of multinational firms that have revenues and payments denominated in foreign currencies. It offers a systematic approach to the study of some key techniques in international financial management and the strategies used by managers engaged in the international financial arena. The course focuses on exchange rate behaviour and exchange rate risk management using derivatives such as options and futures contracts, financing decisions and interest rate risk management, and the assessment of country risk and foreign investment decisions.

This course is normally taught at:

Gold Coast - Semester 1 Day in odd years, Night in even years

Nathan - Semester 1 Day in even years, Night in odd years

Incompatible: 3303ACF International Corporate Finance; 3003IBA International Corporate Finance, 3209AFE International Corporate Finance.

Advised Prerequisite: 2201AFECorporate Finance

SECTION A – TEACHING, LEARNING AND ASSESSMENT

COURSE AIMS

The objective of this course is to impart to students:

- Knowledge of some of the theoretical models that explain exchange rate behaviour and how they are used in the scope of international financial management,
- Skills in the use of derivatives such as foreign currency futures, options and swaps that are used to hedge such risks,
- Knowledge of different modes of international capital budgeting analysis and how they can be used in making international financial management decision,
- Knowledge of multinational capital structure and cost of capital,
- Knowledge of foreign direct investment and country risk, and
- Knowledge and application of different approaches to international funds management.

LEARNING OUTCOMES

At the successful completion of the course, students will have a sound working knowledge and understanding of the following:

- currency spot and derivatives market,
- international parity conditions and arbitrage,
- foreign exchange risk and the key techniques that can be used in managing this risk,
- multinational cost of capital and capital structure,
- international capital budgeting and international investments, and
- foreign financing and unique characteristics of the multinational corporation's financial system.

CONTENT, ORGANISATION AND TEACHING STRATEGIES

This course will run over the 13-week teaching period with one two-hour lecture and one, one-hour tutorial per week (tutorial begins in week 2). Students are strongly encouraged to attend all of these classes.

Lecture notes, notices and other issues relating to the course will be made available on Learning@Griffith. However, information on Learning@Griffith should not be taken as a substitute for lectures and tutorials. For effective learning outcomes, students should attend all lectures, tutorials and supplement these with the information on Learning@Griffith.

CAMPUS-SPECIFIC ARRANGEMENTS:

This course is taught on two campuses this semester (Gold Coast and Nathan). You are required to enrol and participate at one campus ONLY.

CONTENT SUMMARY

Week	Topic No.	Topic Title	Tutorial Number	Reference (Textbook)
1	1	Foreign Exchange Market	No Tutorial	Madura, Ch 3 (pp. 55-65) Ch 7 (pp. 203-208)
2	2	Currency Derivatives	1 (Topic 1)	Madura, Ch 5
3	3	International Parity Conditions	2 (Topic 2)	Madura, Ch 4 Ch 7 (pp. 208-223) Ch 8
4	4	Managing Exchange Rate Risk I	3 (Topic 3)	Madura, Ch 10 Ch 11
5	5	Managing Exchange Rate Risk II	4 (Topic 4)	Madura, Ch 12
6	6	International Portfolio Diversification	5 (Topic 5)	Madura, Ch 3 (Appendix 3); Lecture Notes
7		Mid-Semester Exam	No Tutorial	Duration: 90 minutes; Covers Topics 1-4 and Tutorials 1-4
8		No Lecture due to public holiday		
9	7	Direct Foreign Investment and Country Risk Analysis*	6 (Topic 6)	Madura, Ch 13 Ch 16
10	8	Multinational Capital Budgeting	7 (Topic 7)	Madura, Ch 14
11	9	Multinational Cost of Capital and Capital Structure	8 (Topic 8)	Madura, Ch 17
12	10	Short-term Financing	9 (Topic 9)	Madura, Ch 20;
13		Revision	10 (Topic 10)	
		*This is a proposed schedule only. The arrangements and content proposed in this outline may be amended, with notice, at the discretion of the convenor. The schedule is flexible and may be amended. More or less time may be devoted to particular topics, or aspects thereof, when it appears desirable to do so.		

***Note that lecture and tutorials on week 9 for Gold Coast campus will be held on Tuesday 4th May 2010.**

ASSESSMENT DETAILS

Quantity	Type	Length	Weighting	Due Date
1	Amber Risk Assessment Strategy* Mid-Semester Exam	1.5 hours	30%	Week 7
1	Final Exam	2.5 hours	70%	TBA

*The Amber Risk Assessment Strategy identifies students who do not submit the assessment item or perform poorly. These students will be contacted by the Griffith Business School and referred to relevant support services.

Mid-Semester Examination

This will consist of a mixture of theoretical and practical questions on topics covered during Weeks 1 to 4. This will be a closed-book exam. Details of the exam format and venue will be provided in lectures and made available on Learning@Griffith at least two weeks prior to the exam date.

Final Examination

This will be a mixture of both theoretical and practical questions. All materials covered during the semester are examinable. This will also be a closed-book exam. Details of the exam format will be provided in lectures and made available on Learning@Griffith in week 13.

Notification of Availability of Feedback on Assessment

Results of assessment items will be made available within a period of three weeks. Marked assignments/projects/semester papers can be collected directly from the student's respective Convenor of the course or tutor.

GRADUATE SKILLS

The [Griffith Graduate Statement](#) states the characteristics that the University seeks to engender in its graduates through its degree programs.

Graduate Skills	Taught	Practised	Assessed
Effective communication (written)	X	X	X
Effective communication (oral)		X	
Effective communication (interpersonal)		X	
Information literacy	X	X	X
Problem solving	X	X	X
Critical evaluation	X	X	X
Work autonomously		X	
Work in teams			
Creativity and innovation		X	X
Ethical behaviour in social / professional / work environments		X	
Responsible, effective citizenship		X	

TEACHING TEAM

Convenor Details	Gold Coast
Convenor	Dr. Astrophel Choo
Email	K.Choo@griffith.edu.au
Office Location	G06_ 2.37
Phone	(07) 555 27287
Fax	(07) 555 28068
Consultation times	Consultation hours will be announced via Learning@Griffith Site for this course

COURSE COMMUNICATIONS

In the first instance, students with requests regarding tutorial, homework or assignment work should seek out their delegated tutor. For all administration enquiries, contact your respective Campus Course Convenor by email or during relevant consultation times. Students are advised to attend all classes. Announcements regarding lecture content and assessment items will be made in class and will be posted on the course notice board on Learning@Griffith. It is the student's responsibility to be informed of any such announcements. Students are highly encouraged to refer to the notices and other information on [Learning@Griffith](#) before emailing or approaching their respective tutor or convenor personally. It is hoped that [Learning@Griffith](#) will have answers to many common student enquiries. Students should therefore regularly view [Learning@Griffith](#).

TEXTS AND SUPPORTING MATERIALS

Main Text

Madura, J. (2009). [International Financial Management](#), 10th Edition, Thomson.

Periodicals

Students are encouraged to consult periodicals/journals such as *The Economist*, *Euromoney*, *Asiamoney and Finance*, *IMF International Capital Markets*, *Bank of International Settlements' Annual Reports*, *Business Review Weekly*, *Journal of International Business Studies*, *Journal of International Money and Finance*, *Journal of Finance*, *Financial Analysts Journal*, *Global Finance Journal*, *Multinational Financial Management*, among others.

SECTION B – ADDITIONAL COURSE INFORMATION

Deferred Exam Requests

Requests for deferred exams (mid-semester or final) must follow the procedures outlined in the Griffith University deferred examinations policy. Students must apply for a deferred exam using the *Application for Deferred Examination* form (downloadable from the Griffith University website). This application form must be received no later than three working days after the date of the exam. Documentation is required to support all requests for a deferred examination. If requesting a deferred examination on medical grounds, students must submit an original *Griffith University Medical Certificate* (or certified copy) from a registered medical practitioner. The medical certificate must state the date on which the practitioner examined the student, the severity and duration of the complaint, and the practitioner's opinion that the student was unable to sit in the examination on the scheduled date of the examination. A statement that the student was "not fit for duty" or was suffering from a "medical condition" will not be accepted unless the above information is included. Students should note that applications will be rejected if submitted without a completed *Griffith University Medical Certificate*. A blank university medical certificate attached to a deferred examination application form with a private doctor's medical certificate will also be rejected. Applications will also be rejected if there is a reason to believe that a student is seeking to achieve an unfair advantage, as is suggested by a pattern of repeat deferred examination applications. The application will be checked for previous history of deferred examination applications. For more details please see the Deferred Examinations policy available on the Griffith University website.

Alternate Mid Semester Exam Requests

Where, in exceptional circumstances beyond the student's control, a student is unable to sit and examination at the scheduled time, the student may be granted an alternate sitting. An alternate sitting will only be approved in the following circumstances:

- Religious convictions
- Medical or compassionate grounds, such as confinement or surgery
- Work commitments, beyond a student's control
- Weddings (only in the case of a close relative where the relationship is supported by a statutory declaration)
- Competitive sporting event at state, national or international level
- Military service
- Timetable clashes

Students will be required to have submitted the application along with supporting documentation 14 days prior to the exam date. All AFE alternate sittings will be arranged by the Program Service Officer and students will be advised via their student email account of the arrangements.

Students should refer to the Learning@Griffith website for further information about this course.

SafeAssign

SafeAssign is an online text-matching service available through the course Learning@Griffith site. SafeAssign enables students to submit electronic versions of their assignments via the internet, and generate a text-matching report. This service is designed to aid in educating students about plagiarism and the importance of proper attribution of any borrowed content. It is recommended that all students utilise this service prior to submitting assignments. A student user guide is available at the following site

https://intranet.secure.griffith.edu.au/data/assets/pdf_file/0007/53746/submitting-safeassignment.pdf

SECTION C – KEY UNIVERSITY INFORMATION

ACADEMIC MISCONDUCT

Students must conduct their studies at the University honestly, ethically and in accordance with accepted standards of academic conduct. Any form of academic conduct that is contrary to these standards is academic misconduct and is unacceptable.

Some students engage deliberately in academic misconduct, with intent to deceive. This conscious, pre-mediated form of cheating is one of the worst forms of fraudulent academic behaviour, for which the University has zero tolerance and for which penalties, including exclusion from the University, will be applied.

However the University recognises many students commit academic misconduct without intent to deceive. These students may be required to undertake additional educational activities to remediate their behaviour.

Specifically it is academic misconduct for a student to:

- ***Cheat in examinations and tests*** by communicating, or attempting to communicate, with a fellow individual who is neither an invigilator or member of staff; by copying, or attempting to copy from a fellow candidate; attempting to introduce or consult during the examination, any unauthorised printed or written material, or electronic calculating or information storage device; or mobile phones or other communication device, or impersonates another.
- ***Fabricate results*** by claiming to have carried out tests, experiments or observations that have not taken place or by presenting results not supported by the evidence with the object of obtaining an unfair advantage.
- ***Misrepresent themselves*** by presenting an untrue statement or not disclosing where there is a duty to disclose in order to create a false appearance or identity.
- ***Plagiarise*** by representing the work of another as their own original work, without appropriate acknowledgement of the author or the source. This category of cheating includes the following:
 1. collusion, where a piece of work prepared by a group is represented as if it were the student's own;
 1. acquiring or commissioning a piece of work, which is not his/her own and representing it as if it were, by
 - purchasing a paper from a commercial service, including internet sites, whether pre-written or specially prepared for the student concerned
 - submitting a paper written by another person, either by a fellow student or a person who is not a member of the University;
 2. duplication of the same or almost identical work for more than one assessment item;
 3. copying ideas, concepts, research data, images, sounds or text;
 4. paraphrasing a paper from a source text, whether in manuscript, printed or electronic form, without appropriate acknowledgement;
 5. cutting or pasting statements from multiple sources or piecing together work of others and representing them as original work;
 6. submitting, as one own work, all or part of another student's work, even with the student's knowledge or consent.

A student who willingly assists another student to plagiarise (for example by willingly giving them their own work to copy from) is also breaching academic integrity, and may be subject to disciplinary action.

Visit the following web sites for further details:

[Institutional Framework for Promoting Academic Integrity among Students](#)
[Academic integrity for students](#)

PLAGIARISM DETECTION SOFTWARE

The University uses plagiarism detection software. Students should be aware that your Course Convenor may use this software to check submitted assignments. If this is the case your Course Convenor will provide more detailed information about how the detection software will be used for individual assessment items.

HEALTH AND SAFETY

Griffith University is committed to providing a safe work and study environment, however all students, staff and visitors have an obligation to ensure the safety of themselves and those whose safety may be affected by their actions. Staff in control of learning activities will ensure as far as reasonably practical, that those activities are safe and that all safety obligations are being met. Students are required to comply with all safety instructions and are requested to report safety concerns to the University.

General health and safety information can be obtained from http://www.griffith.edu.au/hrm/health_and_safety/

Information about Laboratory safety can be obtained from http://www.griffith.edu.au/ots/secure/health/content_labsafety.html

KEY STUDENT-RELATED POLICIES

All University policy documents are accessible to students via the University's Policy Library website at: www.griffith.edu.au/policylibrary. Links to key policy documents are included below for easy reference:

[Academic Calendar](#)

[Academic Standing, Progression and Exclusion Policy](#)

[Assessment Policy](#)

[Examinations Timetabling Policy and Procedures](#)

[Guideline on Student E-Mail](#)

[Health and Safety Policy](#)

[Institutional Framework for Promoting Academic Integrity Among Students](#)

[Policy on Student Grievances and Appeals](#)

[Student Administration Policy](#)

[Student Charter](#)

UNIVERSITY SUPPORT RESOURCES

The University provides many facilities and support services to assist students in their studies. Links to information about University support resources available to students are included below for easy reference:

[Learning Centres](#) - the University provides access to common use computing facilities for educational purposes. For details visit <https://intranet.secure.griffith.edu.au/computing/student-computing/finding-available-computers>

[Learning@Griffith](#) - there is a dedicated website for this course via the Learning@Griffith student portal.

[Student Services](#) facilitate student access to and success at their academic studies. Student Services includes: Careers and Employment Service; Chaplaincy; Counselling Service; Health Service; Student Equity Services (incorporating the Disabilities Service); and the Welfare Office.

[Learning Services](#) within the Division of Information Services provides learning support in three skill areas: computing skills; library skills; and academic skills. The study skills resources on the website include self-help tasks focusing on critical thinking, exam skills, note taking, preparing presentations, referencing, writing, proof reading, and time management.