

### COURSE INFORMATION

|                        |                       |                 |                       |
|------------------------|-----------------------|-----------------|-----------------------|
| Course title:          | International Finance | Credits:        | 1.5                   |
| Course code:           | BAFI 532              | Class location: | Online                |
| Session, term, period: | 2020 W1, P7           | Class times:    | MW 10:00-12:00        |
| Section(s):            | 001                   | Pre-requisites: | BAFI 580A or BAFI 500 |
| Division:              | Finance               | Co-requisites:  | None                  |
| Program:               | MBA                   |                 |                       |

### INSTRUCTOR INFORMATION

|             |                              |                  |                         |
|-------------|------------------------------|------------------|-------------------------|
| Instructor: | Professor Glen Donaldson     | Office Location: | HA881 (meetings online) |
| Phone:      | 604-822-8344                 | Office hours:    | By appointment          |
| Email:      | glen.donaldson@sauder.ubc.ca |                  |                         |

### COURSE DESCRIPTION

This course begins with a discussion of the multinational corporation from a financial perspective, including key management challenges, markets and risks faced by multinational corporations, and international financial institutions. We then investigate factors impacting the determination of currency exchange rates and the relationship between exchange rates and other financial factors as they impact multinationals. We then explore issues in international capital markets, including international debt and equity financing and the impacts of country and political risk on such decisions. This leads to topics in corporate finance, investments, risk management and the financing of international trade.

### COURSE FORMAT

We will use Zoom to have our classes during the scheduled class times. Classes consist primarily of lectures and discussions in which students are expected to participate.

**Link to register for Zoon classes is here (you must register at this link, before the first class):**

[https://ubc.zoom.us/meeting/register/u5AldeGgqjgiG9bPELYBHRpxC8u\\_al6mLQkA](https://ubc.zoom.us/meeting/register/u5AldeGgqjgiG9bPELYBHRpxC8u_al6mLQkA)

**Passcode for the Zoom lectures is: food truck**

The security passcode is required to gain entry to the lectures

### LEARNING OBJECTIVES

By the end of this course, students should be able to analyze, apply and explain fundamental issues, concepts and methods in international finance.

### ASSESSMENTS

Students will form their own teams of 3 to 4 people to undertake a group project on a topic of their choice in International Finance, will present their topic/research during an in-class presentation and will write a group term paper (approximately 20 pages) on the same topic and submit the paper at the end of the exam period.

|                       |             |
|-----------------------|-------------|
| In-class Presentation | 45%         |
| End-of-term Paper     | 45%         |
| Participation         | 10%         |
| <b>Total</b>          | <b>100%</b> |

## LEARNING MATERIALS

### Required Textbook:

*International Financial Management, Third Edition*, by Geert Bekaert and Robert Hodrick, Cambridge University Press, 2018.

### Optional Learning Resources:

Readings may be assigned from newspapers, magazines, journals, books, and online sources as the class progresses; such additional readings will be selected during the class in order to use the most up-to-date and topical material. Students may also find it useful to refer to their textbooks from previous finance courses for foundational material.

## COURSE-SPECIFIC POLICIES AND RESOURCES

### *Missed or late assignments, and regrading of assessments*

Late submissions or papers, or missed exams/quizzes/presentations, will receive a grade of zero unless academic concession is granted (see below).

### *Academic Concessions*

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

## POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

### *Attendance*

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a "W" or an "F" standing on the transcript.

### *Punctuality*

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

### *Electronic Devices*

During online lectures, students are not permitted to use any electronic devices other than the primary one used for attending the online lecture (e.g. laptop or desktop). Only Zoom should be open during the online lecture unless an instructor advises the use of another for an in-class activity. Feedback from students indicates that personal devices is the number one distraction from effective learning and participation in the online learning environment.

### *Citation Style*

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:

<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

### UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

#### *Respect for Equity, Diversity, and Inclusion*

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

#### *Academic Integrity*

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work; nor should you help others to do the same. For example, it is prohibited to: share past assignments and answers with other students; work with other students on an assignment when an instructor has not expressly given permission; or spread information through word of mouth, social media, or other channels that subverts the fair evaluation of a class exercise, or assessment. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

#### *Academic Freedom and Students Studying from Outside Canada*

During this pandemic, the shift to online learning has greatly altered teaching and studying at UBC, including changes to health and safety considerations. Keep in mind that some UBC courses might cover topics that are censored or considered illegal by non-Canadian governments. This may include, but is not limited to, human rights, representative government, defamation, obscenity, gender or sexuality, and historical or current geopolitical controversies. If you are a student living abroad, you will be subject to the laws of your local jurisdiction, and your local authorities might limit your access to course material or take punitive action against you. UBC is strongly committed to academic freedom, but has no control over foreign authorities (please visit <http://www.calendar.ubc.ca/vancouver/index.cfm?tree=3,33,86,0> for an articulation of the values of the University conveyed in the Senate Statement on Academic

Freedom). Thus, we recognize that students will have legitimate reason to exercise caution in studying certain subjects. If you have concerns regarding your personal situation, consider postponing taking a course with manifest risks, until you are back on campus or reach out to your academic advisor to find substitute courses. For further information and support, please visit: <http://academic.ubc.ca/support-resources/freedom-expression>

#### COPYRIGHT

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline and could be subject to legal action. All lecture recordings are for the sole use of the instructor and students enrolled in the class. In no case may lecture recordings, or part of the recordings, be used by students for any other purpose, either personal or commercial. Further, audio or video recording of classes are not permitted without the prior consent of the instructor. Students may not share class Zoom links or invite others who are not registered to view sessions.

#### ACKNOWLEDGEMENT

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

#### ONLINE TEACHING TOOL & REQUIREMENTS

This course will be taught using Zoom for synchronous classes and office hours.

For this course, you are required to use a Zoom account during synchronous classes and office hours. If you do not have a Zoom account, you can create one here: <https://zoom.us/signup>. Note: creating a Zoom account requires that you provide a first name, last name, and email address to Zoom. For privacy purposes, you may consent to using your existing email address and your real name. Alternatively, if you prefer, you may sign up using an alternative email address and an anonymized name that does not identify you (i.e. Jane Doe, [jane.doe@email.com](mailto:jane.doe@email.com)). If you have trouble creating an account, or accessing a Zoom session, please contact [CLCHelp@sauder.ubc.ca](mailto:CLCHelp@sauder.ubc.ca). You will be required to provide the email address associated with your Zoom account in a Canvas quiz for identification purposes.

To help replicate the classroom experience, make sessions more dynamic and hold each person accountable, both students and instructors are required to have their cameras on during Zoom sessions. Students who require an accommodation with regard to the "camera on" requirement must contact their instructors in advance of the first class to discuss options. Students are expected to conduct themselves professionally by joining sessions on time, muting mics when not speaking, refraining from using any other technology when in-session, attending in business casual attire (at a minimum), and participating from a quiet environment. Content from synchronous sessions will be selectively recorded per instructor discretion and made available to students on Canvas for a maximum duration of the course length. This is done to allow students the opportunity to return to lecture content to solidify learnings.

**== class schedule is on the next page ==**

COURSE SCHEDULE (SUBJECT TO CHANGE)

| Class                    | Topics   | Readings /Activities         | Assessments  |
|--------------------------|--|------------------------------|--------------|
| <b>Class 1</b><br>Nov 2  | the multinational corporation<br>the foreign exchange market   | Ch 1<br>Ch 2                 |              |
| <b>Class 2</b><br>Nov 4  | forward exchange markets and business transactions<br>international balance of payments, exchange rate systems                       | Ch 3<br>Ch 4, 5              |              |
| <b>Class 3</b><br>Nov 9  | international interest rate/exchange rate parity<br>purchasing power parity and real exchange rates                                  | Ch 6<br>Ch 7, 8              |              |
| <b>Class 4</b><br>Nov 11 | <i>international investment mishaps and corporate governance</i><br><i>(no class [Remembrance Day] taped lecture watch any time)</i> | Ch 1, 11<br>Berk 25, Hull 25 |              |
| <b>Class 5</b><br>Nov 16 | managing real exchange rate risk<br>exchange rate determination and forecasting  | Ch 9<br>Ch 10                |              |
| <b>Class 6</b><br>Nov 18 | international debt financing and cash management<br>international equity financing   | Ch 11, 19<br>Ch 12           |              |
| <b>Class 7</b><br>Nov 23 | international capital markets<br>country and political risks in capital budgeting  | Ch 13<br>Ch 14 (15, 16)      |              |
| <b>Class 8</b><br>Nov 25 | the foreign currency hedging decision<br>financing international trade   | Ch 17 (20, 21)<br>Ch 18      |              |
| <b>Class 9</b><br>Nov 30 | Application Studies – multinational corporations,<br>international corporate finance and investment strategies                       | Class presentations          | Presentation |
| <b>Class 10</b><br>Dec 2 | Application Studies – exchange rate regimes and country<br>events, international institutions, instruments, markets                  | Class presentations          | Presentation |
| <b>Exam Week</b>         | no classes, paper due 11:59pm on the last day of exams   |                              | Paper        |