



The University of Southern Queensland

Course specification

The current and official versions of the course specifications are available on the web at <http://www.usq.edu.au/coursespecification/current>.
Please consult the web for updates that may occur during the year.

Description: International Finance

Subject	Cat-nbr	Class	Term	Mode	Units	Campus
FIN	3106	86088	1, 2009	EXT	1.00	Toowoomba

Academic group:	FOBUS
Academic org:	FOB008
Student contribution band:	3A
ASCED code:	081101

STAFFING

Moderator: Michelle Goyen

REQUISITES

Pre-requisite: FIN1101

OTHER REQUISITES

Students are required to have access to a personal computer, e-mail capabilities and Internet access to USQConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/ict/students/standards/default.htm>.

SYNOPSIS

This course has been written with the intention of providing a systematic analysis of a representative range of analytical issues in international finance and investment against the background of global financial markets. The course initially examines the international monetary system and analyses exchange rates, their determinants and their relationship to significant economic factors. The remainder of the course adopts the investment, financing and dividend decisions of firms and applies them to an international setting.

OBJECTIVES

On successful completion of this course, students should be able to:

1. demonstrate an understanding of the foundations and characteristics of the international monetary system
2. demonstrate an understanding of the function and structure of the foreign exchange market
3. apply exchange rate quotations in their various forms to appropriate situations to solve problems facing firms and foreign exchange dealers
4. demonstrate an understanding of the determinants of exchange rates
5. identify and manage various foreign exchange exposure and, in doing so, demonstrate the appropriate numeracy skills

6. demonstrate comprehension of the nature and operation of forwards, futures, options and swap financial markets
7. analyse how firms can utilise the global capital market to minimise their cost of capital and maximise availability
8. describe the decision process that leads to foreign direct investment
9. analyse capital budgeting for projects located abroad
10. analyse working capital management within the operations of an MNE
11. describe the export and import financing of firms
12. analyse how an MNE can evaluate its overall performance, as well as the performance of its foreign affiliates
13. display cultural literacy by demonstrating an understanding of diverse international contexts as they pertain to foreign exchange markets.

TOPICS

Description	Weighting (%)
1. Introduction: the international monetary system	8.50
2. Introduction to the foreign exchange market	16.00
3. Exchange rate forecasting	8.50
4. Foreign exchange risk exposure and management	8.50
5. Introduction to foreign currency derivatives	16.00
6. International investment	8.50
7. Foreign direct investment and cost of capital	8.50
8. International capital budgeting	8.50
9. Managing multinational operations	17.00

TEXT and MATERIALS required to be PURCHASED or ACCESSED

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

Eiteman, DK, Stonehill, AI & Moffett, MH 2007, *Multinational business finance*, 11th edn, Pearson/Addison-Wesley, Boston, Massachusetts.
(international edition)

REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

Daugaard, D & Valentine, T 1995, *Financial risk management: a practical approach to derivatives*, Harper Educational, Pymble, New South Wales.

Eun, CS & Resnick, BG 2009, *International financial management*, 5th edn, McGraw-Hill/Irwin, Boston, Massachusetts.

Gitman, LJ, Juchau, R & Flanagan, J 2007, *Principles of managerial finance*, 5th edn, Pearson Education, Frenchs Forest, New South Wales.

Hull, J 1998, *Introduction to futures and options markets*, 3rd edn, Prentice Hall, Upper Saddle River, New Jersey.

Levi, MD 2005, *International finance: the markets and financial management of multinational business*, 4th edn, Routledge, London.

Peirson, G, Brown, R, Easton, S & Howard, P 2002, *Peirson and Bird's business finance*, 8th edn, McGraw Hill, Sydney, New South Wales.

Shapiro, AC 2006, *Multinational financial management*, 8th edn, John Wiley & Sons, Hoboken, New Jersey.

STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessments	20.00
Directed Study	52.00
Private Study	93.00

ASSESSMENT DETAILS

Description	Marks out of	Wtg (%)	Due date	Objectives assessed	Graduate skill	Level assessed
CMA TEST 1	30.00	15.00	21 Apr 2009 (see note 1)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13	U3, U7	3, 1
CMA TEST 2	30.00	15.00	26 May 2009	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13	U3, U7	3, 1
2 HOUR EXAMINATION	70.00	70.00	END S1 (see note 2)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13	U3, U7	3, 1

NOTES

1. CMA Tests 1 and 2 will be available in the Study Desk from 6.00pm until 9.00pm (Australian Eastern Standard Time) on the due date.
2. The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date after the timetable has been finalised.

GRADUATE QUALITIES AND SKILLS

Elements of the following Graduate Skills are associated with the successful completion of this course.

Graduate skill assessed	Level assessed
Academic & Professional Literacy (Skill U3)	Advanced (Level 3)
Cultural Literacy (Skill U7)	Introductory (Level 1)

IMPORTANT ASSESSMENT INFORMATION

- 1 Attendance requirements:**

If you are an international student in Australia, you are advised to attend all classes at your campus. For all other students, there are no attendance requirements for this course. However, it is the students' responsibility to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.
- 2 Requirements for students to complete each assessment item satisfactorily:**

To satisfactorily complete an individual assessment item a student must achieve at least 50% of the marks. (Depending upon the requirements in Statement 4 below, students may not have to satisfactorily complete each assessment item to receive a passing grade in this course.)
- 3 Penalties for late submission of required work:**

If students submit assignments after the due date without prior approval of the examiner, then a penalty of 5% of the total marks gained by the student for the assignment may apply for each working day late up to ten working days at which time a mark of zero may be recorded.
- 4 Requirements for student to be awarded a passing grade in the course:**

To be assured of receiving a passing grade a student must achieve at least 50% of the total weighted marks available for the course.
- 5 Method used to combine assessment results to attain final grade:**

The final grades for students will be assigned on the basis of the aggregate of the weighted marks obtained for each of the summative assessment items in the course.
- 6 Examination information:**

This is a restricted examination. Candidates are allowed access to specific materials during the examination. The only materials that candidates may use in the restricted examination for this course are: writing materials (non-electronic and free from material which could give the student an unfair advantage in the examination); calculators which cannot hold textual information (students must indicate on their examination paper the make and model of any calculator(s) they use during the examination). Students are not permitted to take mobile telephones, pagers or other electronic means of communication into the examination room.
- 7 Examination period when Deferred/Supplementary examinations will be held:**

Any Deferred or Supplementary examinations for this course will be held during the next examination period.
- 8 University Regulations:**

Students should read USQ Regulations 5.1 Definitions, 5.6 Assessment, and 5.10 Student Academic Misconduct for further information and to avoid actions which might contravene university regulations. These regulations can be found at

<http://www.usq.edu.au/corporateservices/calendar/part5.htm>. Students should also read the Faculty of Business Policies and Procedures which can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

ASSESSMENT NOTES

- 1 Assignments: (i) The due date for an assignment is the date by which a student must despatch the assignment to the USQ. The onus is on the student to provide proof of the despatch date, if requested by the examiner. (ii) Students must retain a copy of each item submitted for assessment. This must be produced within 24 hours if required by the examiner. (iii) The examiner may grant an extension of the due date of an assignment in extenuating circumstances. All applications for extensions must be accompanied by supporting documentation. In all circumstances no assignments will be accepted two calendar weeks after the due date. The examiner shall consider the statement accompanying a late assignment and decide on the outcome. (iv) The examiner will not accept submission of assignments by facsimile. (v) Assignments are to be submitted in the appropriate assignment folders.
- 2 Referencing in assignments: Harvard (AGPS) is the referencing system required in this course. Students should use Harvard (AGPS) style in their assignments to format details of the information sources they have cited in their work. The USQ library provides advice on how to format information sources using this system. Details can be found at http://www.usq.edu.au/library/help/ehelp/ref_guides/harvard.htm and http://www.usq.edu.au/library/help/ehelp/ref_guides/harvardonline.htm.
- 3 Course weightings: Course weightings of topics should not be interpreted as applying to the number of marks allocated to questions testing those topics in an examination paper. The examination may test material already tested in assignments.
- 4 Deferred work: Students who, for medical, family/personal, or employment-related reasons, are unable to complete an assignment or to sit for an examination at the scheduled time may apply to defer an assessment in a course. Such a request must be accompanied by appropriate supporting documentation. One of the following temporary grades may be awarded: IDS (Incomplete - Deferred Examination); IDM (Incomplete Deferred Make-up); IDB (Incomplete - Both Deferred Examination and Deferred Make-up).
- 5 Dishonest actions: (i) Any student who is alleged to have performed a dishonest action relating to any assessment in the course will have a course of action taken against him/her as outlined in the academic regulations. (ii) Pieces of assessment should be the work of individual students. Joint pieces of assessment are not permitted unless written approval has been obtained from the examiner. (iii) Dishonest action in relation to assessment includes: copying or attempting to copy the work of others; use of or attempting to use information prohibited from use in that form of assessment; submitting the work of another as your own; consciously committing acts of plagiarism, that is, taking and using another's thoughts or writings as one's own with intent to deceive, which occurs when paragraphs, sentences, a single sentence or significant parts of a sentence which are copied directly, are not enclosed in quotation marks and appropriately footnoted or referenced in the text; direct quotations are not used, but text is paraphrased or summarised, and the source of the material is not acknowledged by footnoting or other reference in the text.

OTHER REQUIREMENTS

- 1 Computer, e-mail and Internet access: Students are required to have access to a personal computer, e-mail capabilities and Internet access to USQConnect. Current details of

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