



## **International Finance**

MGMT X490.7 (2 units)

Fall 2021

### **Class Meeting Information**

Day: TBD

Time: TBD

Location: Online – Classes will take place “live” on Zoom. You can access your class by logging into Canvas through your DCE Account.

### **Instructor Information**

Instructor: Dr. Steven J. Keener

Dr. Steven J. Keener, is President and Founder of Business Financial Solutions, Inc. of Orange County California. He consults on international markets and furnishes a complete financial package to small entrepreneurial base companies. He has had executive levels accountabilities with major International Corporations and has planned, executed and implemented business strategies for acquisitions, partnerships, global sourcing, marketing and numerous relocations of companies in foreign and domestic countries. He has taught at the University of California, Irvine since 2009 emphasis on International Markets, Finance, and Business.

### **Prerequisites — Classes or Knowledge Required for this Course**

NONE

### **Course Description**

To succeed in the expanding international economy, business professionals must learn about the role and impact of international financial markets. This class begins with the history and structure of the international monetary system. Topics build on this foundation with a focus on the forces that drive exchange rates as well as international trade and investment; international financial risks and the protection that can be achieved through the use of financial derivatives. The course also emphasizes some of the most important financial techniques used by multinational firms to manage their international financial operations.

### **Course Objectives**

*At the end of this course, students will:*

- Gain a general understanding of the history and structure of the international financial markets
- Learn the functions of foreign exchange spot, forward and derivatives transactions
- Acquire the skills necessary to create and execute basic hedging strategies
- Become familiar with alternative financing and payment methods
- Acquire a basic understanding of the forces behind international investment flows
- Be able to identify the financial management techniques used by multinational firms

On a more practical level, the course goals are achieved through a process in which students are expected to master 90 key terms and concepts. The key terms and concepts are listed below, together with the class session during which they are discussed, the test where the term appears and the location of the source material where an explanation of the term or concept can be found.

### **Methodology**

Lecture, classroom interaction and breakouts, and a final exam on last day covering all material.

### **Course Text**

Power Point Presentation Handout



## **Evaluation and Grading**

Final Exam with 40 questions (80% of grade) on the last day, and a Quiz with 10 questions (10% of grade) on the 4<sup>th</sup> day of the Class, and 10% of grade for participation, with a total of 100%.

### **Grading Scale**

A = 90% – 100%

B = 80% – 89%

C = 70% – 79%

D = 60% – 69%

Final Exam and Quiz -- True/False, Multiple Choice, and Short Answer questions. The exams will be given in class.

## **Course Policies**

### **Attendance Policy**

Students are expected to “attend” all class meetings, log in to class on time and remain online until class is dismissed. A webcam is needed to actively participate and engage in the course with the instructor and other students.

### **Code of Conduct**

All participants in the course are bound by the University of California Code of Conduct, found at <https://ce.uci.edu/resources/conduct/>.

### **Academic Honesty Policy**

The University is an institution of learning, research, and scholarship predicated on the existence of an environment of honesty and integrity. As members of the academic community, faculty, students, and administrative officials share responsibility for maintaining this environment. It is essential that all members of the academic community subscribe to the ideal of academic honesty and integrity and accept individual responsibility for their work. Academic dishonesty is unacceptable and will not be tolerated at the University of California, Irvine. Cheating, forgery, dishonest conduct, plagiarism, and collusion in dishonest activities erode the University's educational, research, and social roles.

Students who knowingly or intentionally conduct or help another student engage in dishonest conduct, acts of cheating, or plagiarism will be subject to disciplinary action at the discretion of UC Irvine Continuing Education.

### **Disability Services**

If you need support or assistance because of a disability, you may be eligible for accommodations or services through the Disability Service Center at UC Irvine. Please contact the DSC directly at (949) 824-7494 or TDD (949) 824-6272. You can also visit the DSC's website: <http://www.disability.uci.edu/>. The DSC will work with your instructor to make any necessary accommodations. Please note that it is your responsibility to initiate this process with the DSC



**Course Outline**

<b>Date</b>	1 <sup>st</sup> Class
<b>Reading for Today</b>	Power Point
<b>Objectives</b>	<p>The International Monetary System – discussions on Qualities of “good money”, Approaches to Exchange Rates, Bretton Woods System, and Overvalue/Undervalued Currencies</p> <p>The Foreign Exchange Market – discussions on the risk of the Foreign Exchange (FX) markets, Types of Exchange Rates, and Theories that try to explain exchange rate changes</p>
<b>Assignment</b>	Read Class 2 discussions

<b>Date</b>	2 <sup>nd</sup> Class
<b>Reading for Today</b>	Power Point
<b>Objectives</b>	<p>Futures and Options on Foreign Exchange – discussions on Instruments used to hedge and speculate on FX (Futures, Forwards, Options)</p> <p>International Banking and Money Markets – discussion on International Banking, International currency markets including notes and paper, LIBOR, and Currency creation</p>
<b>Assignment</b>	Read Class 3 discussions

<b>Date</b>	3 <sup>rd</sup> Class
<b>Reading for Today</b>	Power Point
<b>Objectives</b>	Balance of Payments – discussions on Imports/Exports, Current/Capital accounts, Balance of Trade, Portfolio/Direct investments
<b>Assignment</b>	Read Class 4 discussions

<b>Date</b>	4 <sup>th</sup> Class
<b>Reading for Today</b>	Power Point
<b>Objectives</b>	International Trade Finance – discussion on Letters of Credit, Fronting and Counter Trade (including present-day Bartering between International Corporations)
<b>Assignment</b>	Study for a Quiz and Read Class 5 discussions



<b>Date</b>	5 <sup>th</sup> Class
<b>Reading for Today</b>	Power Point
<b>Objectives</b>	<p>Financial Management in the International Business – discussion on Raising Capital in International Markets, Debt vs. Equity financing, Netting, Transfer Pricing, and Fronting systems in International Corporations</p> <p>Discussion on Presentation – Breakout into teams and have final review of Power Point presentation on case study in class</p>
<b>Assignment</b>	Study for Final Exam

<b>Date</b>	6 <sup>th</sup> Class
<b>Reading for Today</b>	Entire Power Point
<b>Objectives</b>	A Review of all Topics and Discussions
<b>Assignment</b>	Final Exam