



Course Syllabus
Fall 2022
<Dr. Yaqoub Ahmad Baqer Alabdullah>
FIN 440 – International Financial Management

Lecture Time and Location:

| | | | | |
|--------------------|---|------------------------|------------------|---------------|
| FIN 440/01A | : | Mondays and Wednesdays | 08:30 – 09:15 AM | Room # 1005C1 |
| FIN 440/02A | : | Mondays and Wednesdays | 03:30 – 04:45 PM | Room # 1010CG |

Contact Information:

| | | |
|---------------------|---|--|
| Location | : | Department of Finance & Financial Institutions – CBA - Shudadeya Campus |
| Email | : | yaqoub.alabdullah2@ku.edu.kw |
| Phone # | : | You can call me on MS Teams |
| Office Hours | : | Half an hour before class or by appointment. |
| Website | : | www.ybaqer.com |
| MS Teams | : | Please join our team for all class materials. |

Teaching Assistant: TBA

Course Description:

This course examines the financial issues facing managers and firms involved in the international transfer of assets, goods and services. The main topics explored will be the foreign exchange market, the management of foreign exchange risk and hedging, and investment and financing decisions in international capital markets, international parity propositions and international portfolio investment strategies.

This is not a “how to” course. This is a “why do” course. By way of analogy, think of the set of plans for a building. Both an architect and a draftsman can read the plans and even copy the plans with minor changes. But an architect can do more than a draftsman can do. When it is time to design a completely new building that responds creatively to the needs of the client and the context of the built and natural environment, you want an architect. I am here to train financial architects—not draftsmen. Please do not expect to learn a cookbook of formulas that you plug numbers into. (Now that we have macros in Excel, no one will pay a salary for that skill.) Expect to learn a few simple, but powerful, intuitions and be able to apply them creatively to a variety of new situations. Finance is such a rapidly changing area that you would be poorly served with a set of rote formulae—such knowledge would be rapidly obsolete.

Course Learning Outcomes:

The learning outcomes for this course, listed below, relate to the learning goals of the College of Business Administration Undergraduate Program.



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Upon successful completion of the course, students will:

1. Understand the structure and operation of global financial markets.
2. Understand foreign exchange markets and parity propositions.
3. Understand the types of securities and derivatives that are traded in international markets.
4. Understand Currency risk exposure and hedging
5. Use capital budgeting methods to solve financial problems in an international context.

Required Material:

Textbook : Eun, Cheol, and Bruce Resnick. *International Financial Management*. 8th ed. McGraw-Hill. 2018.

Additional Material :

- Other material, including course PPT Slides are available on MS Teams.
- Financial Calculator

Course Requirements and Policies:

Expectations: I expect every student to read the chapter before and after the class. I do not expect you to depend on PowerPoint slides for your studying. I expect you to attend each class and participate in discussions. I expect you to do your assignments on time and attend the tutorials.

Quizzes: I will give some quizzes throughout the semester, so you should always be prepared. We will use either Moodle or MS Forms for the quizzes.

Exams: There will be two midterm exams and a final exam. The dates of the exams are as follows:

| Date | Event | Notes |
|----------------|---------------------------------------|----------------------------|
| Mon 7/11/2022 | Exam 1 (chapters 1,2,3, 5, & maybe 6) | Time and place TBA |
| Mon 5/12/2022 | Exam 2 2 (chapters 7 & 8) | Time and place TBA |
| Sun 25/12/2022 | Final (comprehensive) – Section 02A | 11:00-13:00 in a place TBA |
| Tue 27/12/2022 | Final (comprehensive) – Section 01A | 17:00-19:00 in a place TBA |

Cases: I will assign business cases for this course. In the third week of classes, I will assign the cases. The case will constitute three parts: A written part, a presentation part, and a discussion part. Once I assign the case, I will give you questions to answer about your case. By the end of the semester, you should provide me a written answer to your questions. You should also do a presentation about your case and prepare to discuss all aspects about your case.

Attendance: I will not take attendance each class. However, your attendance is highly encouraged since I will give quizzes in some classes and I might cover something that is not covered in your textbook. Each student must abide by KU's bylaws and the student guide. A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf



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Cheating and Plagiarism: Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

Grading:

The scores in this course will be the weighted average of the following items:

| | Weight |
|-------------------|---------------|
| Two midterm exams | 50% |
| Quizzes | 5% |
| Cases | 15% |
| Final Exam | 40% |
| Total | 110% |

Grade Distribution:

| Grade | Range |
|--------------|---------------|
| A | ≥ 95 |
| A- | ≥ 90 and < 95 |
| B+ | ≥ 87 and < 90 |
| B | ≥ 83 and < 87 |
| B- | ≥ 80 and < 83 |
| C+ | ≥ 77 and < 80 |
| C | ≥ 73 and < 77 |
| C- | ≥ 70 and < 73 |
| D+ | ≥ 65 and < 70 |
| D | ≥ 60 and < 65 |
| F | < 60 |

The instructor always reserve the right to amend the above guidelines



Course Outline (tentative and subject to change):

| Course Schedule | | |
|-----------------|-------------------|--|
| Mon | 26/09/2022 | Introduction to the course + Ch1: Globalization and the Multinational Firm |
| Wed | 28/09/2022 | Ch2: International Monetary System |
| Mon | 03/10/2022 | Ch3: Balance of Payments |
| Wed | 05/10/2022 | Ch5: The Market for Foreign Exchange |
| Mon | 10/10/2022 | Ch5: The Market for Foreign Exchange |
| Wed | 12/10/2022 | Ch5: The Market for Foreign Exchange |
| Mon | 17/10/2022 | Ch:6 International Parity Relationships and Forecasting Foreign Exchange Rates |
| Wed | 19/10/2022 | Ch:6 International Parity Relationships and Forecasting Foreign Exchange Rates |
| Mon | 24/10/2022 | Ch:6 International Parity Relationships and Forecasting Foreign Exchange Rates |
| Wed | 26/10/2022 | Ch:6 International Parity Relationships and Forecasting Foreign Exchange Rates |
| Mon | 31/10/2022 | Ch:7 Futures and Options of Foreign Exchange |
| Wed | 02/11/2022 | Ch:7 Futures and Options of Foreign Exchange |
| Mon | 07/11/2022 | Exam 1 |
| Wed | 09/11/2022 | Ch:7 Futures and Options of Foreign Exchange |
| Mon | 14/11/2022 | Ch:7 Futures and Options of Foreign Exchange |
| Wed | 16/11/2022 | Ch8: Management of Transaction Exposure |
| Mon | 21/11/2022 | Ch8: Management of Transaction Exposure |
| Wed | 23/11/2022 | Ch8: Management of Transaction Exposure |
| Mon | 28/11/2022 | Ch8: Management of Transaction Exposure |
| Wed | 30/11/2022 | Ch9: Management of Economic Exposure |
| Mon | 05/12/2022 | Exam 2 |
| Wed | 07/12/2022 | Ch9: Management of Economic Exposure |
| Mon | 12/12/2022 | Ch9: Management of Economic Exposure |
| Wed | 14/12/2022 | Case studies presentations |
| Mon | 19/12/2022 | Case studies presentations |
| Wed | 21/12/2022 | Case studies presentations |
| Sun | 25/12/2022 | Final Exam (11:00am - 1:00pm) |
| Tue | 27/12/2022 | Final Exam (11:00am - 1:00pm) |