Subject Outline

FIN241 International Financial Management

Wollongong

Credit Points - 6
Autumn Session 2004

Dr. Shyam Bhati
Phone: 02 4221 5383

School of Accounting and Finance
Subject details

Description

International Financial management is designed to give students an appreciation of and expertise in the use of financial tools in an international context. The subject will cover the techniques of finance and will then relate them to international financial institutions and practices. Throughout the course the student will learn to evaluate the risk and expected return from international investment markets.

Objectives

Upon completion of the subject the student will be able to:

1. Identify and use appropriate financial tools and techniques for international financial management.

2. Explain the techniques for evaluating and the ramifications of, risk/return in an international context.

3. Describe the source of long term debt and equity capital in the international market.

Method of delivery

Face to face delivery at Wollongong Campus

Study time

A minimum of 6 hours per week including class attendance

Lecture/tutorial times

Lectures     Monday     15.30 to 16.30     38.G01
Tutorials       Monday       12.30 to 13.30       19.2103
                Monday       13.30 to 13.30       40.128
                Tuesday      10.30 to 11.30       51
                Tuesday      15.30 to 16.30       53
                Wednesday    17.30 to 18.30       19.1098

**Major texts**


References can be obtained by contacting the University of Wollongong Library.
Contacts

Subject Coordinator/Lecturer

Dr. Shyam Bhati
School of Accounting and Finance
Building No. 40, Room No 318
Telephone 61 2 4221 5383
Facsimile 61 2 4221 4297
Email sbhati@uow.edu.au

Consultation times

TBA

Student administration

Telephone 61 2 4221 3938
Facsimile 61 2 4221 4322
Email studenq@uow.edu.au
Student OnLine Services http://www.uow.edu.au/student/sols

Library

Telephone 61 2 4221 3548
Web http://www-library.uow.edu.au

Distance students studying within Australia should refer to the Off-Campus Library Services Student Guide contained in their subject package. Distance students studying outside Australia should contact their subject coordinator as arrangements for library services may be available within their own country.

Purchasing of books (Unishop)

Telephone 61 2 4221 8050
Facsimile 61 2 4221 8055
Email unishop@uow.edu.au
Assessment Guidelines

General Criteria

In order to complete the subject successfully, the student will be required to complete all the assessment criteria listed below satisfactorily.

Attendance at lectures and tutorials is a compulsory requirement of the subject. A minimum of 90% of attendance is required in both the lectures and tutorials.

Students must achieve a mark of more than 40% in the final examination to achieve a Pass or higher grade. (Marks are subject to scaling)

Performance grades

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<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Mark Range</th>
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<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
<td>85–100%</td>
</tr>
<tr>
<td>D</td>
<td>Distinction</td>
<td>75–84%</td>
</tr>
<tr>
<td>C</td>
<td>Credit</td>
<td>65–74%</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
<td>50–64%</td>
</tr>
<tr>
<td>F</td>
<td>Fail (unsatisfactory completion)</td>
<td>0–49%</td>
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Summary

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<thead>
<tr>
<th>Task</th>
<th>Weighting</th>
<th>Due Date</th>
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<td>Mid-session Examination</td>
<td>20%</td>
<td>07/04/04 Lecture</td>
</tr>
<tr>
<td>Essay</td>
<td>20%</td>
<td>Week 10 Tutorials</td>
</tr>
<tr>
<td>Tutorial Participation*</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Final Examination</td>
<td>50%</td>
<td>University Examination Period</td>
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*Tutorial participation

Attendance at tutorial is a compulsory requirement of the subject. A schedule of the questions to be prepared for the tutorial is attached. These questions must be attempted before the tutorial. Attempted solutions to the tutorial problems are to be submitted to the tutor as required. Tutorials...
Special Consideration

University policy requires students who, through serious illness or other circumstances beyond their control, are unable to attend an examination or meet any of the other course requirements, to submit medical or other documented evidence as soon as possible after the event to support their request for special consideration. The evidence should be submitted to Student Inquiries Office. Students should make their request online using SOLS http://www.uow.edu.au/student/. Submission of medical certificate by itself does not guarantee Special Consideration. Students’ eligibility in this regard will be assessed taking into consideration the overall circumstances in each case.

Supplementary examinations

Students should note that supplementary examinations are not an automatic entitlement on the submission of a request for special consideration. In cases where the decision is made to allow a supplementary examination, students will usually be required to take the examination at a date to be determined by the School within three weeks of the end of the formal examination period. Students will be notified of the exam at least seven days beforehand. It is every student’s responsibility that the University has a correct record of your current address.

Full details of the University’s policy regarding special consideration are available on the web at http://www.uow.edu.au/handbook/courserules/specialconsideration.html students should familiarise themselves with these policies.

Disability Policy

If a student with a disability requires reasonable accommodation in this subject, they are strongly advised to discuss the issues early in the session with one of the following people: the Disability Liaison Officer, Faculty Disability Adviser and/or the Subject Coordinator. Students with a disability should also register with the University of Wollongong Disabilities Unit. More details can be found on the web at http://www.uow.edu.au/student/services/disabl.html

Non Discriminatory Language

As part of its Equal Opportunity/Affirmative Action initiatives, the University of Wollongong endorses a policy of non-discriminatory language practice and presentation in all academic and administrative activities of the University. The policy is available at http://staff.uow.edu.au/eoo/nondiscrimlanguage.html

Receipt of Assessment Tasks

It is your responsibility to ensure that you have a receipt signed by your lecturer/tutor,
Assessment Tasks

Task 1: Mid-session Examination

Due date: 07/04/04 Lecture

Weighting: 20%

Assignment details

This is a one-hour examination comprising of multiple choice questions

Task 2: Essay

Due date: Tutorial, Week 10

Weighting: 20%

Length: 2500 words

Assignment details


Critically evaluate the above statement giving the reasons for agreeing or disagreeing with it. The role of various players in the international markets should be critically discussed using examples.

Requirements of the essay

1. The essay should be of 2500 words in length
2. The essay should be typed using 1½ or double line spacing with a 2.5 cms. margins on all sides.

3. The essay should include a synopsis and a list of references. The Harvard Method of referencing should be used.

4. The essay should be submitted to the tutor in the tutorial in Week 10.

   Essays must not be posted or transmitted by Facsimile.

5. It is the student’s responsibility to submit a duplicate copy of the essay, on demand.

6. There are penalties for:
   a. Late submission
   b. Essay without synopsis
   c. No references
   d. Failure to refer to the source of citation.

**Assessment Criteria/Marking Guidelines**

The assessment of the essay will be based the following

   a. Synopsis
   b. Structure and Presentation
   c. Contents and arguments presented
   d. Style
   e. References and Citations
Task 3: Examination

Date: University examination period
Weighting: 50%
Length: 3 hours 15 minutes
Examination details: TBA
Submission Requirements

Submission

Place of Submission: Tutorial class

Post: Submission of assignment by post will not be accepted.

Facsimile: No faxed assignments will be accepted

Email: E-mailed assignments will not be accepted

Assignment cover: You must complete and attach a School of Accounting and Finance Assessment Cover Sheet to the front of your assignment (available at the following web address: http://www.uow.edu.au/commerce/acccy/resources/index.htm)

Collection: Tutorial class

Acknowledgment/Plagiarism

Plagiarism is not acceptable and may result in the imposition of severe penalties. The University provides clear guidelines on its attitude towards plagiarism and how to avoid unintentional plagiarism in the Postgraduate University Calendar, located on the web at http://www.uow.edu.au/handbook/courserules/plagiarism.html

Students are advised to read these carefully. If any doubts remain as to what constitutes plagiarism, students should discuss the matter with the subject co-ordinator

Format

Typed, double-spaced, word limits apply.
The due date is the last date for the University to receive an assignment. The date of submission by post for distance students will be the postmark date stamped on the assignment envelope.

**Extensions**

Extensions may be granted if circumstances beyond the control of the student interfere with their ability to complete the task on time. These will only be granted by the subject co-ordinator and must be applied for before the due date.

**Please Note:** Extensions will not be granted after the due date.

**Late submission**

There are penalties applied for late submissions as per university’s assessment policy.

**Disclaimer**

The School attempts to ensure that the information herein is up to date at the time of production, however we reserve the right to amend without notice in response to changing circumstances.
# Subject Outline:
## FIN 241 International Financial Management

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<thead>
<tr>
<th>Week</th>
<th>Beginning</th>
<th>Topic</th>
<th>Readings</th>
<th>Tutorial Questions</th>
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<tbody>
<tr>
<td>1</td>
<td>23/02/04</td>
<td>Introduction</td>
<td>BFOT Ch.1</td>
<td>Nil</td>
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<tr>
<td>2</td>
<td>01/03/04</td>
<td>Financial mathematics</td>
<td>BFOT Ch.3</td>
<td>Ch.1, 1.3,1.4,1.6,1.7, 1.12,1.13,1.14,1.18,</td>
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<tr>
<td>3</td>
<td>08/03/04</td>
<td>Capital markets</td>
<td>BFOT Ch. 4 &amp; Ch.5</td>
<td>Ch.3: 3.2,3.3,3.4,3.6,3.7, 3.20,3.9,3.10</td>
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<tr>
<td>4</td>
<td>15/03/04</td>
<td>Risk and Return &amp; Investment Techniques</td>
<td>BFOT Ch.6 &amp; Ch. 8</td>
<td>Ch.4: 4.1,4.2,4.3,4.10,4.11,4.12; Ch.5,5.1,5.2,5.3,5.6,5.7,5.12, Case-In the News</td>
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<tr>
<td>5</td>
<td>22/03/04</td>
<td>Investment Issues &amp; Financing Decisions</td>
<td>BFOT Ch.10 &amp; Ch. 12</td>
<td>Ch.6: 6.1,6.2,6.4,6.7,6.10,6.20,6.21 Ch.8: 8.1,8.2,8,8.3,6.8,7</td>
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<tr>
<td>6</td>
<td>29/03/04</td>
<td>Financing decisions and Dividends</td>
<td>BFOT Ch.13 &amp; 15</td>
<td>Ch. 10. 10.7,10.8,10.9, Case: IRR vs. NPV, Ch.12: 12.1,12.6,12.10,12.19,12.20</td>
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<tr>
<td>7</td>
<td>05/04/04</td>
<td>Financing Choice</td>
<td>BFOT Ch.16</td>
<td>Ch.13: 13.1,13.4,13.6, Ch.15: 15.1,15.2,15.3,15.6,15.8,</td>
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**Mid-session Examination on Wednesday, 07/04/04**

**Easter Recess from 09/04/04 to 16/04/04**

| 8    | 19/04/04  | Introduction to International Finance | Levich, Ch.1                  | BFOT Ch.16: 16.2,16.6,16.7,16.10,16.12,16.13 |
| 9    | 26/04/04  | Foreign Exchange Markets           | Levich, Ch.3                   | Ch.1: Ex- 1,2,6,7,8 |
| 10   | 03/05/04  | Eurocurrency Markets               | Levich Ch.9                    | Ch.3, Ex-1,2,3,4 |

**Essay Due in Week 10 Tutorials**

| 11   | 10/05/04  | International Bond Portfolios     | Levich Ch.14                   | Ch.9: Ex-1,3,4 |
| 12   | 17/05/04  | International Equity Portfolios   | Levich Ch.15                   | Ch.14, Ex-1,2, Q-3 |
| 13   | 24/05/04  | Managing risk in International Financial Positions | Levich Ch.16                  | Ch.15, Ex-1,2,3 |