



A POLYTECHNIC INSTITUTION

School of Business

Program: International Trade and Transportation

**FMGT 4552**  
**International Finance****Start Date:** March 17, 2008**End Date:** May, 2008**Total Hours:** 30 **Total Weeks:** 10**Term/Level:** 4 **Course Credits:** 2**Hours/Week:** 3 **Lecture:** 1 **Lab:** 2 **Shop:** **Seminar:** **Other:****Prerequisites****Course No. Course Name**

FMGT 2100 Accounting 2

FMGT 3550 Business Finance 1

FMGT 4551 Business Finance 2

**Course Description**

The purpose of the course is to give the student an understanding of the role finance plays in a world that is increasingly becoming more economically integrated. The student will study the forces that influence exchange rates among currencies and learn about the structure of the various financial instruments that are available to manage the risks stemming from fluctuating exchange rates.

**Evaluation**

Final Examination	60%
Weekly Quizzes	40%
TOTAL	100%

**Course Learning Outcomes/Competencies**

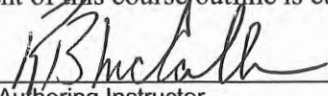
Upon successful completion, the student will be able to:

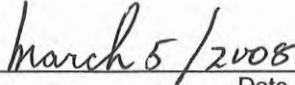
- Understand how International Finance differs from Corporate Finance and why a solid grounding in International Finance is required of the financial manager.
- Understand the forces in play that determine exchange rates between currencies and be able to forecast expected exchange rates in the future
- Discuss the evolution of the International Monetary System
- Describe the functioning of the markets for foreign exchange
- Describe the various financial instruments that exist in the foreign exchange markets and explain how these can be used to reduce the risk inherent in international operations

## Verification

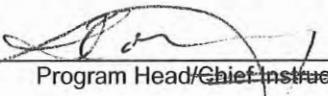
I verify that the content of this course outline is current.

Richard McCallum

  
Authoring Instructor

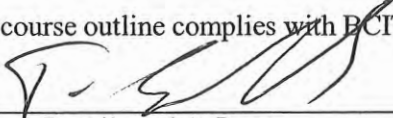
  
Date

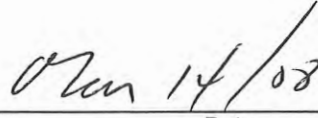
I verify that this course outline has been reviewed.

  
Program Head/Chief Instructor

  
Date

I verify that this course outline complies with BCIT policy.

  
Dean/Associate Dean

  
Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

## Instructor

Richard McCallum, B. Eng., MBA, CMA, CFP  
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Email: rick\_mccallum@bcit.ca

## Learning Resources

### Required:

*International Financial Management (Custom Publication of Selected Chapters)*, By Cheol Eun, Bruce Resnick and Donald Brean, ISBN TBA, McGraw-Hill Ryerson, 2008.

Financial calculator (Sharp EL-733A or Texas Instruments BA II plus is **highly recommended**)

### Recommended:

- Access to a daily or weekly financial newspaper (e.g. National Post, Globe and Mail, The Economist) will be useful as some of our discussions in the seminars will be focused on current events in the world of finance.

## Information for Students

**Lab Problems:** Lab problems will be assigned throughout the term. This homework will not be collected for marking, but it is essential that you work through the problems in order to understand the material and perform well on the exams. Time permitting we will take up most of these problems during the labs. For your own sake, please resist the temptation to simply copy down solutions without having worked through the problems yourself.

**Quizzes:** A short quiz will be given at the end of the lab each week based on the lecture material and problems covered in the lab that week. These weekly quizzes will make up the 40% assignment/quiz mark. You may elect to disregard one of the quiz marks over the term to allow for a missed lab or poor performance on a quiz.

**Makeup Exams:** There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks with the exception of the one mark which may be disregarded (see **Quizzes** above). Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility students to inform the instructor as well as their program head of their situation **as soon as possible**.

**Ethics:** BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

**Attendance:** The attendance policy as outlined in the current BCIT Calendar will be enforced.

**Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the mark prorated.

**Attempts:** Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

**Course Outline Changes:** The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class

## Course Schedule

Week of	Lecture Topic	Text Book Chapter Reference
March 19	Globalization and the Multinational Firm; International Monetary System	Chapters 1 and 2
March 26	The Market for Foreign Exchange	Chapter 4
April 2	Easter Holidays	
April 9	International Parity Relationships and Forecasting Foreign Exchange Rates	Chapter 5
April 16	Futures and Options on Foreign Exchange	Chapter 9
April 23	Currency and Interest Rate Swaps	Chapter 10
April 30	Management of Transaction and Economic Exposure	Chapters 12 and 13
May 7	Exports and Imports	Chapter 19
May 14	<b>Review for Exam</b>	
May 21	<b>Final Exam</b>	