

**INTERAMERICAN UNIVERSITY OF PUERTO RICO
METROPOLITAN CAMPUS
BUSINESS FACULTY
GRADUATE DEPARTMENT
MBA FINANCE PROGRAM**

SYLLABUS

I. GENERAL INFORMATION

Course title: International Business Finance
Code and Number: BADM 6200
Credits: 3
Academic Term:
Professor:
Office Location and Hours:
Office Telephone
E-Mail:

II. DESCRIPTION

Study of the structure and functioning of foreign currency markets and of the factors that determine the exchange rates of currencies. Analysis of investment decision-making and the financing of companies and institutions from a global perspective.

III. OBJECTIVES

Its is expected that upon completing the course, the student should be able to:

1. Discuss the open-macroeconomics issues related to international business and finances.
2. Analyze balance of payments accounting
3. Discuss the recent theoretical and empirical research of open-macroeconomics with applications to international business finances
4. Discuss how various international monetary systems work
5. Discuss the financial risk inherent to international businesses
6. Discuss the recent theoretical and empirical research with respect to arbitrage, hedging and speculation
7. Discuss the recent empirical research with respect to international financing and investment.
8. Discuss the relationship between related companies with respect to financial issues
9. Discuss the recent empirical research with respect to related companies

IV. CONTENT

1. Introduction to open macroeconomic issues (Madura, ch. 1, 2, 3 and 9)
2. Analyzing the open economy: Capital account, Balance of Payments, etc (M. ch. 2 & 3)

Quiz #1

3. Sovereign debt crisis, access to funding and models of family business (F. ch. 5)
4. Currency Derivatives (M. ch. 5 and ch. 18)
5. Empirical Research on the international experience. supplemental readings for not for class discussions:
 - a. Almeida, H., S.Y. Park, M. Subrahmanyam, D. Wolfenzon (2011)
 - b. Khanna, T., Y. Yafeh, (2007)

Quiz #2

6. International Monetary Markets (M. chs. 2 and 3)
 - Recommended reading (not required)" Stiglitz, J. et. al. (2010)
7. Assessing Economic and Financial Risks
 - a. Systemic risk (F. ch. 4)

Quiz #3

- b. Exchange rate and interest rate risks (M. chs: 4, 5, 6, 9, 10 and 12)

Quiz #4

8. Arbitrage and Hedging activities (M. chs: 7, 11 and 12)
9. International financing and investment (M. ch. 13)
10. Country risk and cross-country corporate governance (M. chs: 15 and 16)
11. Multinational financing and investment (M. chs: 17, 18 and 19)

Quiz #5

12. Empirical work required readings for class discussions:
 - a. Aggarwal, Erel, Ferreira and Matos (2011)
 - b. Houston, Itzkowitz and Naranjo (2007)
 - c. Masulis, R., C. Wang, F. Xie, (2009)
 - d. Mian, A. (2006)

V. LEARNING ACTIVITIES

1. Discussion forums on readings of articles in academic journals
2. Quizzes (all quizzes but Quiz #1 will be using RPNow)
3. Country risk analysis report

VI. EVALUATION

A	Country Risk Analysis	40%
B	Partial Quizzes	40%
C.	Final Quiz	20%

A few ungraded problem sets may be distributed. Conversion of your overall percentage into a letter grade will be:

Overall Percentage	Letter Grade
100 - 90	A
89 - 80	B
79 - 70	C
69- 0	F

VII SPECIAL NOTES

A. Auxiliary services or special needs

All students who require auxiliary services or special assistance must request them at the beginning of the course or as soon as they become aware that they need them, through the corresponding registry, in the Office of the Coordinator of services for students with disabilities, Dr. María de los Ángeles Cabello. She is located in the Counseling and Counseling Program, office 111, on the first floor of the John Will Harris building, extension 2306.

B. Honesty, fraud, and plagiarism

Dishonesty, fraud, plagiarism and any other inappropriate behavior in relation to academic work constitutes major infractions sanctioned by the General Student Regulations. The major infractions, as stated in the General Student Regulations, may have as a consequence, suspension from the University for a definite period greater than one year or the permanent expulsion from the University, among others sanctions.

C. Use of electronic devices

Cellular telephones and any other electronic device that could interrupt the teaching and learning processes or alter the environment leading to academic excellence will be deactivated. Any urgent situation will be dealt with, as appropriate. The handling of electronic devices that allow students to access, store or send data during evaluations or examinations is prohibited

D. Compliance with the Provisions of Title IX

The Federal Higher Education Act, as amended, prohibits discrimination because of sex in any academic, educational, extracurricular, and athletic activity or in any other program or function, sponsored or controlled by a higher education institution, whether or not it is conducted within or outside the property of the institution, if the institution receives federal funds.

In harmony with the current federal regulation, in our academic unit an Assistant Coordinator of Title IX has been designated to offer assistance and orientation in relation to any alleged incident constituting discrimination because of sex or gender, sexual harassment or sexual aggression. The Assistant Coordinator Sr. George Rivera can be reached by phone at extension 2262 o 2147, or by e-mail griverar@metro.inter.edu.

The Normative Document Titled **Norms and Procedures to Deal with Alleged Violations of the Provisions of Title IX** is the document that contains the institutional rules to direct any complaint that

appears to be this type of allegation. This document is available in the Web site of Inter American University of Puerto Rico (www.inter.edu) .

VIII. EDUCATIONAL RESOURCES

A. Textbooks:

1. Madura, J. ***International Financial Management***, 13th Edition, Cengage/South Western, 2017. (a pdf copy is available under “Content”)
2. Finel-Honigman, I. and F.B. Sotelino. *International Banking for a New Century*. 2015. Routledge, NY (a pdf copy is available under “Content”)

BIBLIOGRAPHY (OR REFERENCES)

1. Allen, F., E. Carletti, J.P. Krahen y M. Tyrell, 2011, Liquidity and Crisis, Oxford University Press.
2. Friedman, T., 2005, The World is flat: a brief history of the twenty-first century.
3. Guembel, A. y O. Sussman, 2009, Sovereign Debt without Default Penalties, *The Review of Economic Studies*, Vol. 76: 1297-1320.
4. Kramer, Mark R. and Michael E. Porter, The Big Idea: Creating Share Value, 2011, *Harvard Business Review*, January-February 2011m (disponible a través de http://www.waterhealth.com/sites/default/files/Harvard_Business_Review_Shared_Value.pdf) Reprint R1101C
5. Madura, J., 2011, International Financial Management. 11th edition. South-Western.
6. Martínez, J.V. y G. Sandleris, 2011, Is it punishment? Sovereign defaults and the decline in trade, *Journal of International Money and Finance* Vol. 30: 909–930
7. Reinhart, Carmen M. y K.S. Rogoff, 2012, The Forgotten History of Domestic Debt, *NBER papers -Working Paper 13946* (<http://www.nber.org/papers/w13946>)
8. Sturzenegger, F. y J. Zettelmeyer, 2006, Debt Defaults and Lessons from a Decade of Crisis, MIT Press.
9. Shapiro, A., 2006, Multinational Financial Management. 8th edition. Wiley.
10. Stiglitz, J.E. et al, 2010, The Stiglitz Report: Reforming the International Monetary and Financial Systems in the Wake of the Global Crisis. Members of the United Nations Committee of Financial Experts, The New Press. (ISBN 978-1-59558-520-2) (a pdf copy is available under “Content”)
11. Tomz, Michael and Mark L. J. Wright, 2009, Sovereign Theft: Theory and Evidence about Sovereign Default and Expropriation, *The Natural Resources Trap: Private Investment without Public Commitment*, eds. William Hogan and Federico Sturzenegger, Cambridge, MA: MIT Press, 2010.
12. World Bank, 2012, Global Development Finance External Debt of Developing Countries. World Bank Press
13. **Additional readings:**
 - The Wall Street Journal
 - a. The Financial Times
 - b. The Economist
 - c. Business section from the local newspapers
 - d. A Short History of US Credit Defaults (<http://mises.org/daily/5463>)

- e. Movies and documentaries
 - i. Inside Job
 - ii. Commanding Heights
 - iii. Enron: The smartest guys in the room
 - iv. Frontline: Bigger than Enron
- f. Videos de Frontline:
 - i. The Ascent of Money - <http://www.pbs.org/wnet/ascentofmoney/featured/watch-the-two-hour-the-ascent-of-money/24/>
 - ii. Inside the Meltdown - <http://www.pbs.org/wgbh/pages/frontline/meltdown/view/>
 - iii. The Warning - <http://www.pbs.org/wgbh/pages/frontline/warning/view/>
 - iv. Breaking the Bank - <http://www.pbs.org/wgbh/pages/frontline/breakingthebank/view/>
- g. Video de CNBC: House of Cards - <http://www.cnbc.com/id/15840232?video=1145392808&play=1>
- h. A Short History of US Credit Defaults - <http://mises.org/daily/5463>

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