

Pokhara University
School of Business
International Finance, FIN-634, MBA-2019

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Class Hours
Wed -Thu: 7:00-8:30

Course Plan

Course Overview:

This course is designed to provide a comprehensive coverage of multinational finance topics. We will introduce the functions and operations of the foreign exchange and international money markets and discuss the underlying forces that move prices in these markets. We will move on to the analysis of the exchange rate risk problem of the international business firm and provide an in-depth analysis of various hedging strategies available to the multinational manager. The discussions will make use of real world events and problems as we proceed. Students should expect to develop an integrated analytical and decision making perspective that will enable them to extend financial concepts such as multinational capital budgeting and foreign exchange risk management, and instruments such as currency forwards, options, futures, etc.

This course will cover a number of topics in international finance including foreign exchange markets, measuring and hedging exchange rate risk, exchange rate determination, currency regimes and emerging issues in international finance. International finance involves dynamic, exciting real-world events. My goal is to make you be aware of and appreciate the importance of these events in conducting business internationally.

Class Participation:

Your participation in the class discussion is very important for the success of the course. Every student is expected to fully participate in class discussions. Besides regular attendance, participation, both in quantity and quality, is critical. Participating in class allows you to practice critical thinking and listening skills while developing the ability to balance advocacy for your own ideas with inquiry into the ideas of others. Use the discussions to expand your understanding of different perspectives. To receive a full credit for participation, I expect you to listen actively and respectfully to your colleagues' comments. Your contributions should demonstrate both your own ideas and your ability to analyze those of your colleagues. Side discussions, excessive late arrivals, and other interruptions are disrespectful to the class and will detract from your class participation grade.

Class Policy:

A typical class meeting will have a lecture-discussion format. We will cover material from the textbook, discuss assigned readings and cases, and analyze some end-of-chapter questions and/or problems, as well as devote some amount of time to a free-form discussion of current events pertaining to or affecting multinational corporations and the international financial markets.

Problems/Homework:

Homework will be assigned after a topic has been discussed in class. You may find it best to work in groups on homework problems. Homework will not be collected, but part of the exams will be taken directly from or slightly modified from homework.

Tentative Course Description *

Module	Course Details	LH
1	International Finance : Introductory discussions <ul style="list-style-type: none">- Asian Financial Crisis- Case -I : <i>The Indian Rupee – US Dollar exchange rate: The economic impact of a strengthening currency</i>- Currency War: Focusing on US China trade dispute. Case- II: <i>China's Renminbi: "Our Currency, your problem"?</i>	3
2	The Foreign Exchange Market	3

	<ul style="list-style-type: none"> - Microstructure, geographical extent, functions, market participants - Foreign exchange rates and quotations - International arbitrage - Reading: <i>The Global Foreign Exchange Market: Growth and Transformation</i> 	
	Exam – I	1
3	Foreign Exchange Risk Management <ul style="list-style-type: none"> - Currency risk - Currency derivatives - Foreign exchange exposures: Transaction, Operating, and Accounting exposure - Foreign currency risk hedging decision - Case- III: <i>Voyages Soleil: The Hedging Decision</i> - Case – IV: <i>Merton Electronics Corporation: Hedging currency risk</i> - Case – V: <i>Westwood Plastics Inc.</i> - Additional Reading: i) <i>Identifying, measuring, and hedging currency at Merck</i> ii) <i>Managing foreign exchange risks; Darden business publishing</i> 	6
	Exam – II	1
4	Foreign Exchange Rate Determination <ul style="list-style-type: none"> - Balance of Payments Approach - Prices, Interest Rates and Exchange Rates - Parity Conditions : PPP, IRP, IFE - Case – VI: <i>Trade deficits, current account deficits and exchange rates in US: The Policy implications</i> - Project Work: Currency Coverage Report 	4
	Exam – III	1
5	Multinational Capital Budgeting <ul style="list-style-type: none"> - Subsidiary versus parent perspective - Factors to consider in MNC capital budgeting - Adjusting project risk assessments - Case – VII: <i>Dorchester Ltd.</i> - Case – VIII: <i>Blades Inc. 's Investment in Thailand</i> 	3
6	International Monetary Environment <ul style="list-style-type: none"> - Evolution of international monetary system - Currency regimes - The current exchange rate arrangements - Flexible versus fixed exchange rates - Issues of Nepalese foreign exchange system 	3
7	Global financial environment: Foreign exchange risks, political risks, financial goals Term End Class Presentation: <i>On selected special topics</i> MBA Seminar: <i>Is financial globalization good for developing countries?</i>	3
	Project Report Submission : Currency Coverage Report	
	Trimester End Examination	

*Some course contents, case studies or assigned readings may be changed on the discretion of the course instructor as the course progresses.

Grading System: The grades for this course will be based on class quizzes, written examination, class presentations, participation in group discussions, case analysis assignments, seminar paper and a term project, as well as attendance and contributions in class. The table below shows the percentages of the overall grade which are accounted for by the different graded assignments.

<u>Assignment</u>	<u>Percentage of final grade</u>
3 Class Quizzes	15%
Case Analysis Reports	10%
Class Presentation	5%

Term Project (Currency Report)	10%
Seminar Paper and Presentation	10%
Assignments, Attendance and Other Activities	10%
Trimester End Examination	40%

In-class Exams: Exam I, II & III will be taken as multiple choice question quizzes. The exams can be taken at the end of the module or during the module given in the tentative course outline. The exams can be surprise exams or pre-announced. The objective of surprise test is to encourage you for continuous study.

Make-ups: If you have an extreme emergency, at my discretion you will be allowed to take a make-up exam. Requests for makeup exams must be made in writing via a formal letter with explanation and documentation (physician, supervisor, etc.). If possible, I prefer to know in advance that you will miss an exam. In fairness to those who took the regularly scheduled exam, the make-up exam must be taken within one week of the missed exam.

Term End Presentation: Class presentation has been included to enhance your presentation skills. You are expected to deliver a professional presentation on any topic related to international finance. Some of the possible areas are given below. You should register your topic with the course instructor. Duplicate topics will not be registered. Hence, you are advised to register early as it increases the probability of getting your preferred topic.

- Greece Debt Crisis, Eurozone Debt Crisis, Mexican Crisis, Asian Crisis, Argentine Crisis, Global Financial Crisis 2007-2008, etc.
- International exchange rate regimes and currency board, currency peg, or dollarization experiences
- International equity markets and potential portfolio diversification benefits
- The birth of a European currency: The Euro
- Speculation in currency markets
- Cross-listing trends across global equity markets
- Hedging policies or experiences of MNCs
- The global impact of weakening US dollar
- Policy, acts, circulars, directives etc. related to foreign exchange of Nepal
- The currency peg experience of Nepal
- Trends in international capital flows

Basic Textbooks:

International Financial Management, by Jeff Madura

International Financial Management, by Eun & Resnick

References:

Multinational Business Finance, by Eiteman, Stonehill and Muffet

Multinational Financial Management, by Alan Shapiro

Recommended Websites:

www.forexnews.com	www.fxstreet.com	www.ft.com
www.forex.com	www.wsj.com	www.economist.com
www.dailyfx.com	www.forexcharts.net	www.oanda.com
www.fxcm.com	www.imf.org	www.bis.org
www.cme.com	www.nrb.org.np	www.marketwatch.com
http://finance.yahoo.com	www.phlx.com	www.bloomberg.com/markets
www.ozforex.com.au/marketwatch.com		



POKHARA UNIVERSITY

School of Business, Faculty of Management Studies M.B.A Program

Course Syllabus

Third Trimester, 2019

Business Research Methods (BRM)

Instructor: Surya Bahadur G. C., PhD.

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Contact: 9846026556

Office: School of Business, 1st Floor, Pokhara University, Pokhara-Lekhnath 30.

Basic Text Books:

- Zikmund, William G., *et al.*, (2013). Business Research Methods, 8th Edition. Publisher, Cengage South-Western.
- Uma Sekaran, Roger Bougie. (2010). Research Methods for Business: A Skill Building Approach, 7th Edition. Publisher, Wiley and Sons.

Course Description:

The purpose of this course is to introduce to you the concepts, principles, and techniques used in gathering, analyzing, interpreting, and communicating information for business decision making. Topics covered include: problem definition, research design, measurement, data collection, surveys, questionnaires, sampling, field work, data preparation, data analysis including: descriptive, inferential statistics, ANOVA, correlation, regression, factor analysis, discriminant and logistic analysis, structural equation modeling and report preparation and presentation. Students will apply research skills using a variety of computer applications with SPSS and real business cases.

Course Objectives:

The main objectives of this course are

- To familiarize students with the basic concepts of research methodology.
- To give a detailed overview of all the steps involved in the research process.
- To give students a basic knowledge of statistical tools for the analysis of data.
- To make students able to interpret result of statistical analysis.

By the end of this course, students should be able to:

- Understand the purpose of Commerce and Management research, the qualities of a good researcher, types of research, the research process and the characteristics of a good research project.
- Search relevant literature and develop appropriate research designs for their own research questions.
- Understand and apply a range of qualitative and quantitative approaches to data collection, data analysis and interpretation.
- Identify, evaluate and document relevant literature pertinent to research problems presented and discussed in class.
- write a research proposal based on skills acquired in the course.
- Determine real world business research problems, and develop a proper scientific research methodology to tackle them.
- Decide on the appropriateness and consistency between the different research components.
- Critically think about research work that have been already done by other researchers.
- Strongly adhere to ethical standards that are universally employed for conducting scientific research.

Methods of Teaching and Learning: These will consist of textbook readings, real cases, active discussions, practice quizzes, written examinations.

Course Requirements

- Regular **attendance** is highly required.
- Classroom **participation and presentation** is highly recommended.
- Personal **improvements**, as long as we proceed, is needed.
 - **Assignment 1: Research Proposal:**
In this assignment, students develop and present a research proposal expressing their deep understanding of the research process. This work must be built on an intensive literature review. Each student will be given approx. 10 minutes to present his work. Each Student must hand a written research proposal three weeks before final exams.
 - **Assignment 2: Re-evaluation of previously published research papers.**
This assignment helps students to develop their analytical and critical thinking abilities thorough re-evaluating of previously published research papers. Students are expected to identify, evaluate and document their work which has to be done in a critical thinking manner. Each Student must hand an End-of-Semester Report on his work tow weeks before final exams.
- **Computer applications with SPSS- Laboratory**
This training will practically familiarize students with the basic knowledge of statistical analysis of the research data. Training will include but not limited to- Data coding and entry, Descriptive statistics. Hypotheses testing, ANOVA and Post Hoc Tests (Multiple comparisons'). Simple and Multiple regression.

Grading:

Internal Exam	30%
Classroom preparation and active discussion	5%
Assignments fulfillment and submission-Punctuality is appreciated and rewarded. (10% for assignment 1 & 5% for assignment 2)	15%
Attendance	5%
Computer applications with SPSS	5%
Final Exam	40%
Total	100%

COURSE OUTLINE*

Week	Topic
1	Chapter 1: The Role of Business Research
2	Chapter 4: The Business Research Process: An overview
3	Chapter 6: Problem Definition: The foundation of business research
4	Chapter 7: Qualitative research tools
5	Chapter 8: Secondary Data Research in a Digital Age
6	Chapter 12: Experimental Research
	Mid-term Exam
7	Chapter 13: Measurement and Scaling Concepts
7	Chapter 14: Attitude Measurement
8	Chapter 15: Questionnaire Design
8	Chapter 16: Sample Designs and Sampling Procedures; Chapter 17: Determination of Sample Size: A review of Statistical Theory
9	Chapter 19: Editing and Coding: Transforming Raw Data into Information; Chapter 20: Basic Data Analysis: Descriptive Statistics
10	Chapter 21: Univariate Statistical Analysis; Chapter 24: Multivariate Analysis
11	Chapter 23: Bivariate Analysis: Measures of Associations; Chapter 25: Communicating Research Results: Report Generation, Oral Presentation, and Follow up
12	Project and Presentation
	Internal Final Exam

*The chapters are from basic text book by Zikmund et al.

Additional References

1. Creswell, J. (2003). **Research Design: Qualitative, Quantitative, and Mixed Methods Approaches**. Thousand Oaks, California: Sage Publications.
2. Patton, M.Q. (2002). **Qualitative research & evaluation methods** (3rd edition). Thousand Oaks, California: Sage Publications.