

McDonough School of Business
Finc-510 International Finance

Instructor: Jim Bodurtha

Phone: 202 687-6351

[Click to send email](#)

bodurthj@georgetown.edu

Office: Hariri 485

Office Hours: M, T, H 10:45am-12:15pm,
W 1:45-2:30pm and 5-6pm, and by appointment

Prerequisites: Both Financial Management modules, Finc 551 and 557.

Description: This course develops of a base for understanding international financial markets and management.

Objectives: To provide a basic understanding of the fundamentals of international finance, and to build on this understanding through treatment of special topics: relative national positions, FX outlook, FX positioning and hedging, international project selection, and international portfolio management.

Required Notes: Notes will be distributed in class. Classnotes are also available on the MSB intranet as a hyperlink in the title of each section of in the course outline.

https://msb040.msb.edu/faculty/bodurthj/unrestricted/teaching/51020_syllabus.htm

Optional Texts: There is no required text. On a first and timely use basis, a couple of chapters will be provided from the following books as supplemental reading:

Feenstra, Robert C.; Taylor, Alan M., [Essentials of International Economics, Second Edition](#). Worth Publishers, 2nd edition, 2011, ISBN-10: 1-4292-7710-6, ISBN-13: 978-1-4292-7710-5

Eiteman, David K., Arthus I. Stonehill, and Michael H. Moffett, [Multinational Business Finance](#), Prentice Hall, 12th edition, 2009, ISBN-10: 0136096689, ISBN-13: 9780136096689.

Eun, Cheol S., Bruce G. Resnick, [International Financial Management](#), McGraw-Hill, 6th edition, 2012, ISBN-13: 978-0-07-803465-7.

Bekaert, Geert, Robert Hodrick, [International Financial Management](#), Prentice Hall, 1st Edition, 2009, ISBN-10: 0131163604, ISBN-13: 9780131163607.

Levich, Richard, [International Financial Markets](#), McGraw-Hill/Irwin, Second Edition, © 2001, ISBN: 0-07-233865-2, ISBN:0-07-118123-7.

It is also recommended that you keep up with the financial press. The [FT-US](#) and [WSJ](#) are good daily sources. The Wall Street Journal provides discount student subscriptions on a [quarterly](#) or a [semester](#) basis (click to access) -- as does the [FT for students](#). Weekly sources include [The Economist](#), [Barron's](#), [Business Week](#), [Fortune](#), and [Forbes](#).

Calculation: The course will require some calculation and computer spreadsheet work. Please always bring your financial calculator to class. Bringing your portable to class will be helpful.

Grading: A series of 100 point quizzes and homeworks will be given every one or two weeks throughout the module. The course final will be a take-home due at the beginning of our final exam session. The grade weight of the final exam is equal to two quizzes (2 x 100 points).

You will have the option to exclude one quiz or required homework from your final grade calculation (this "one quiz" may include half of the final). Should you have an excused absence for a quiz, then you must complete the quiz as additional homework to apply the drop option to the associated quiz.

Grade Weights

Quizzes and Required Homework	90%	There will be a series of support homework with each quiz, from 1-3 per assignments per module. Homework will be distributed in class. Homework is also available on the class web site, as are suggested homework answers. Any homework that is unsatisfactory or missed will result in up to a 10 point penalty on the associated quiz. I require that all homework be turned in with the associated quiz. Required homework has no support homework.
Class Attendance	10%	On all quizzes and homework subsequent to the first one, a student earns 90 out of 100 points for their work on the quiz. An additional 10 points are earned by attending and participating in class during the classes leading up to a quiz. If you do miss a class or have negative participation, then I will evaluate your excuse out of 2-4 points per class. Obviously, there will be a sign-up sheet handed out for each class, and I ask you to sit in the same seat throughout the semester.

In case of inclement weather or other situations which make getting to class difficult for a group of students, we will try to run an "e-class" simultaneously with the usual in-class session(s). An email will notify you regarding this contingency, and BlackBoard's [Illuminate web service](#) will be used. [This click link has url based access instructions and some pointers](#), and this link has [BlackBoard Access Instructions](#)

Grading Curve

In accordance with business school guidelines, class grades will be curved.

Quiz and Required Homework Due Dates -

Our first quiz is 11/8. Subsequent quiz and homework due dates are on Tuesdays 11/15, 11/29, and 12/13.

Our final session is 12/19 at 12noon in Hariri 250.

There will be **no quiz make-ups**. If, for some reason - like snow, a quiz must be **canceled for the entire class**, then the next quiz will count as a double quiz.

Outline

1. [GNI and the BOP](#)

Homework or Quiz Prep
11/8 Assignment

Feenstra-Taylor, [National and International Accounts Income, Wealth, and the Balance of Payments, Chapter 13](#).

Eiteman-Stonehill-Moffit, [The Balance of Payments, Chapter 4](#).

2. [Currency Fundamentals](#)

3. [Currency Mathematics and FX Denomination Decision](#)

.

?a. International Allocation for Portfolio and Project Evaluation

.

?b. [International Project Value Analysis](#)

Eun-Resnick, [International Capital Budgeting, Chapter18](#)

?c. [Using FX Options](#)

More to be filled in ...