**Course Syllabus**

**International Finance**

**Shanghai International Studies University (SISU)**

**Summer 2024**

# **Course** International Finance

# **Professor** Bill Reese

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**Objectives**: The primary objective of this course is to provide students with a solid understanding of the basic principles of international finance. Emphasis will be placed on understanding the role of exchange rates in the global economy as well as how individual firms can obtain financing, make capital budgeting decisions, and minimize risk in a global environment.

**Structure** Since this is a non-credit course, there will be no tests and no grades. This will just be about you learning what is interesting and important to you. The first three days of class will be primarily instruction, where I will present the fundamental principles of International Finance. The final two days will mostly be spent on an analysis of several different Harvard Case Studies in which you will be able to apply much of what you have learned to real situations.

**Cases** Everyone should read each case prior to the start of this course. There won’t be time to read them during our week of classes. On the first day of class, I will divide you into six groups. Each group will be responsible for presenting one of the cases (other than Foreign Exchange Markets and Transactions). I will give each group some questions to answer for each case. You should answer these questions to the best of your ability, but they will not be graded.

* + - * Dozier Industries – Harvard case F-163
      * The Walt Disney Company’s Yen Financing – Harvard case 9-287-058
      * Carrefour S.A. – Darden case UV0283
      * Emerson Electric Company – Darden case UV2151
      * Diva Shoes, Inc. – Darden case UV0265
      * Ibersnacks, S.A. IESE case IES017
      * Foreign Exchange Markets and Transactions – Harvard case 9-205-016

**Website** I will be maintaining a website for this course at

<https://breesefine7150.tulane.edu/>

On it, I will be posting announcements that you will want to read,

class notes, case information and other worthwhile information. I strongly encourage you to visit the website regularly to keep up with what’s going on in class.

**Laptops** Laptops may be used during class to take notes and to work through Excel problems we are doing. Please don’t use them for web surfing, emailing, messaging or anything not directly related to what we are learning at that moment.

**Perspective** The material you will be learning in this class will be applicable to anyone in any country. However, since we will be in the U.S., the cases are written from a U.S. perspective, and my education and experience has been entirely in the U.S., it will be taught from a U.S. perspective.

**Tentative Schedule**

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| **Day** | **Material to be Covered in Class** |
| Monday | Introduction  Overview/History  International Trade  The U.S. Federal Reserve  Exchange Rates  Forward Rates  Interest Rate Parity |
| Tuesday | Triangular Arbitrage  Locational Arbitrage  Absolute Purchasing Power Parity  Inflation  Relative Purchasing Power Parity |
| Wednesday | Exchange Rate Determination  Forecasting Exchange Rates  Hedging Transaction Exposure  Currency Swaps |
| Thursday | Dozier Case  Disney Case  Diva Case  Am I Diversified? Spreadsheet |
| Friday | Carrefour Case  Emerson Case  Ibersnacks Case  Investing Globally  Finding the Efficient Frontier Spreadsheet |