

School of Economics and Finance

FINA302: INTERNATIONAL CORPORATE FINANCE

Trimester One 2012

COURSE OUTLINE

Names and Contact Details

The Course Coordinator and lecturer for the course is Brandon C. Chen, RH316, ext 5131, Brandon.Chen@vuw.ac.nz. Office hours will be on Thursdays 3.40-4.40pm, or by appointment.

Any administrative matters should be brought to the attention of Bonnie Riley, (Bonnie.Riley@vuw.ac.nz).

Trimester Dates

Teaching Period: Monday 5 March – Friday 8 June

Study Period: Monday 11 June – Thursday 14 June

Examination Period: Friday 15 June – Wednesday 4 July (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 16 March 2012.
2. The standard last date for withdrawal from this course is Friday 18 May. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an ‘*Application for Associate Dean’s Permission to Withdraw Late*’ including supporting documentation.

The application form is available from either of the Faculty’s Student Customer Service Desks.

Class Times and Room Numbers

Type	Day	Time	Room
Lecture	Tue	14:40-15:30	RHLT2
Lecture	Thu	14:40-15:30	GBLT2
Tutorial	Mon	9:30-10:20	RWW223
Tutorial	Mon	14:40-15:30	RWW222
Tutorial	Tue	15:40-16:30	RWW413
Tutorial	Wed	13:40-14:30	RWW315
Tutorial	Thu	9:30-10:20	RWW222
Tutorial	Fri	11:30-12:20	RWW222

Course Content

Week Beginning	Week	Subject	Textbook chapter	Tutorial
5 March	1	Int'l Financial Environment (1)	1, 2	--
12 March	2	Int'l Financial Environment (2)	3, 4	--
19 March	3	Currency Futures & Options	5, 6	--
26 March	4	Currency Swaps & Rationale for Hedging	7, 8	Yes
2 April	5	Real-options & Investment Strategy	17	Yes
23 April	6	Int'l Capital Market	19	Yes
30 April	7	Treasury Mgmt, In-term exam	9	--
7 May	8	Transaction & Operating Exposures	10, 11	--
14 May	9	Translation Exposure & Country Risk	12, 13	Yes
21 May	10	Capital Budgeting & Structure	14, 15	Yes
28 May	11	Corporate Governance	18	Yes
4 June	12	Tax issues and Course Review	16	Yes

Course Learning Objectives

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

C1	explain exchange rate behaviour and the implications for corporate financial management	MAF1, 2, 3, 5, 6, 8
C2	estimate models of exchange rate behaviour	MAF2, 5
C3	use exchange rate models to hedge exchange rate risk	MAF2, 3, 8
C4	use exchange rate models to solve problems involving international portfolio choice.	MAF2, 3, 8

Course Delivery

The delivery of the course will involve lectures (12 weeks) and tutorials during 7 of the 12 weeks in the course, starting in Week 4 (see Course Content for details). Tutorial materials will be distributed online in the previous week and should be completed before attending the tutorial class. Students are strongly recommended to attend tutorials, as comprehension of tutorial materials is necessary for the preparation of the in-term test and final exam.

Expected Workload

The anticipated workload is about 10 hours per week, comprising 2 hours for lectures, 1 hour for a tutorial, 3 hours to prepare the tutorial assignments, and 4 hours for group work and reading.

Group Work

Students are expected to form a group of 5-7 to work on the hedging strategy of a certain multinational company, and the corporate governance issues it faces. This group assignment accounts for 15% of each student's total mark. Total number of pages should be limited to 10, including references. More information will be released in Week 4 of the course.

Readings

The prescribed text is K. Butler, *Multinational Finance*, 4th Ed, Wiley-Blackwell 2008.

All the lecture material and tutorial assignments are examinable. The lecture material is drawn mainly from the prescribed text; therefore, it is highly recommended that students read the text prior to the relevant lectures.

Materials and Equipment

Students are permitted to use any electronic calculators in the exams.

Assessment Requirements

Your mark will be determined in the following way:

Scheme A:

In-term Test	25%	Thursday 3 May 2012
Group work	15%	Due on Thursday 7 June 2012
Final Exam	60%	The date will be scheduled during the University exam period

Scheme B:

In-term Test	0%	Thursday 3 May 2012
Group work	15%	Due on Thursday 7 June 2012
Final Exam	85%	The date will be scheduled during the University exam period

Each student's marks will be calculated based upon the above two schemes and the better one of the two will be chosen as his/her final marks. In other words, his/her final marks = Max (Scheme A, Scheme B).

The 50-min in-term test (in accordance with Objectives C1-C3) will be multiple-choice and cover the material presented in the first 5 weeks. The two-hour final exam (in accordance with Objectives C1-C4) will cover the entire course (20% comes from the material covered in the first 5 weeks). The group assignment (in accordance with Objectives C1-C4) should be submitted in hard copy. Page limit of the group assignment is 10.

Quality Assurance Note

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be scheduled at some time during the period from Friday 15 June – Wednesday 4 July (inclusive).

Penalties

Late submission of the group assignment will result in a 5% discount of the group assignment mark per day (applies to each of the group members).

Mandatory Course Requirements

There are no mandatory requirements for passing this course.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

Additional information or information on changes will be conveyed to students via Blackboard.

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

Find key dates, explanations of grades and other useful information at www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy, except qualification statutes, which are available via the Calendar webpage at <http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/>

Te Putahi Atawhai

Maori and Pacific Mentoring Programme

http://www.victoria.ac.nz/st_services/tpa/index.aspx