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Number # 93-26
Action App 2/15/94
Date Sen App 3/1/94

CURRICULUM PROPOSAL COVER SHEET
University-Wide Undergraduate Committee

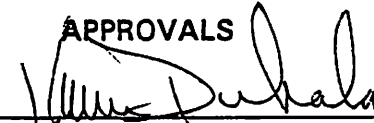
I. TITLE/AUTHOR OF PROPOSAL

Course/Program Title: FI 424 International Financial Management
Suggested 20 character course title: Intl Fin Mgmt
Department: Department of Finance and Legal Studies
Contact Person: Dr. Ibrahim Affaneh

II. If a course, it is being proposed for:

- Course Approval/Revision Only
- Course Approval/Revision and Liberal Studies Approval
- Liberal Studies Approval Only (course previously approved by Senate.)

III. APPROVALS


Department Curriculum Committee


Department Chairperson


College Curriculum Committee


College Dean *

Director of Liberal Studies
(where applicable)

Provost (where applicable)

* COLLEGE DEAN MUST CONSULT WITH THE PROVOST BEFORE APPROVING CURRICULUM CHANGES. APPROVAL BY COLLEGE DEAN INDICATES THE PROPOSED CHANGE IS CONSISTENT WITH LONG RANGE PLANNING DOCUMENTS, ALL REQUESTS FOR RESOURCES IN THE PROPOSAL CAN BE MET, AND THE PROPOSAL HAS THE SUPPORT OF THE UNIVERSITY ADMINISTRATION.

III. TIMETABLE

Date Submitted:
to LSC _____

to UWUCC _____

Semester to be
implemented: _____

Date to be
published
in Catalog

II. Description of Curriculum Change

1. CATALOG DESCRIPTION:

FI 424 International Financial Management

3 credits
3 lecture hours
0 lab hours
(3c-0l-3sh)

Prerequisite: FI 310 Finance I

Corequisites: None

The financial management concepts, useful in a single-country context, must be adapted for the international variables and constraints caused by being international. The course provides an insight into the unique issues and problems that the manager of the multinational enterprise will face such as: working capital management; capital budgeting process; financing and investing abroad; capital and money markets; foreign exchange markets; and risk management.

COURSE SYLLABUS
FI 424: International Financial Management

I. Catalog Description

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(3c-0l-3sh)

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Corequisites: None

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II. Course Objectives

1. Students will learn the different methods of quotations in the foreign exchange markets.
2. Students will learn the functions and the interrelationship between the international capital markets and the trend toward their integration.
3. Students will learn about the risks involved in the international capital market and the techniques used to hedge those risks.
4. Students will learn how to construct a diversified international portfolio.
5. Students will learn about the additional variables and factors that affect the financial decisions regarding the capital investment by the multinational corporations.
6. Students will learn about the different techniques to manage the working capital by the multinational corporations.

TARGET: Senior students majoring in Finance or International Management.

III. Course Outline

The course will cover the following topics:

- 6 hours 1. The Foreign Exchange Market
- Spot and forward markets (1 hour)
 - Forecasting Foreign Exchange (1 hour)
 - Managing Foreign Exchange Risk: Economic Exposure; Transaction Exposure and Translation Exposure (4 hours)
- 3 hours 2. Global Financial Markets
- International Money Markets (1 hour)
 - Eurodollar and Other Currencies (1/2 hour)
 - International Capital Markets: Bonds and Equities (1 hour)
 - International Banking and LDC debt (1/2 hour)

- 6 hours 3. International Portfolio Diversification
- Risk and Return (2 hours)
 - Optimal International Portfolio (2 hours)
 - Exchange Rate Risk (2 hours)
- 3 hours 4. Trade Documentation
- Letter of Credits (1 hour)
 - Draft and Bankers Acceptances (1 hour)
 - Bill of Lading (1/2 hour)
 - Other Documents (1/2 hour)
- 3 hours 5. Trade Financing
- Export Credit Insurance (1 hour)
 - Forfeiting (1 hour)
 - Countertrade (1 hour)
- 6 hours 6. Direct Foreign Investment
- Motives (1 hour)
 - Requirements (1 hour)
 - Evaluation (2 hours)
 - Risks (2 hours)
- 6 hours 7. Multinational Capital Budgeting
- Complexities and problems (1 hour)
 - Project evaluation (3 hours)
 - Adjusting for risks (2 hours)
- 9 hours 8. Working Capital Management
- Managing international cash balances (2 hours)
 - Managing receivables (3 hours)
 - Managing inventory (3 hours)
 - International fund transfers (1 hour)

IV. Evaluation Methods

There will be two mid-term exams worth 20% each, a final exam worth 40%, with the remaining 20% based on the submission and presentation of a term paper.

V. Required Textbooks, Supplemental books and readings

Eitman, David and Stonehill, Arthur I. Multinational Business Finance, 5th ed., Addison-Wesley, Reading MA, 1989.

VI. Special Resource Requirements

None. No lab fee.

VII. Bibliography

1. Shapiro, Alan C. Multinational Financial Management, 3rd ed., Allyn & Bacon Inc., Boston, 1989.
2. Abdullah, Fuad. Financial Management for the Multinational Firm, Prentice Hall, 1989.
3. Kolb, Robert W., editor, The International Finance Reader, 2nd ed., Kolb Publishing Company, Miami, FL, 1993.
4. Kester, W. Carl and Luehrman, Timothy A., Case Problems in International Finance, McGraw-Hill, Inc., New York, NY, 1993.
5. Eitman, David K., Stonehill, Arthur I. and Moffett, Michael H., Multinational Business Finance, 6th ed., Addison-Wesley Publishing Company, Reading, MA, 1992.

COURSE ANALYSIS QUESTIONNAIRE

A: DETAILS OF THE COURSE

A1 How does this course fit into the programs of the Department? For what student is the course designed?

This course will be a major requirement for students in the International Management program. In addition, it broadens the selection of courses available for finance majors and other business students at a time when international operations and competition in the international markets have become increasingly important to firms of all sizes.

A2 Does this course require changes in the content of existing courses or requirements for a program?

No effect on other courses offered by the College of Business. Also, it differs from other courses offered by the Economics Dept. since this course deals with adapting the financial management concepts to the international environment. It is concerned with the international operations and problems of the individual firm but not the macroeconomics of the international relations as in the economics course. No changes in the descriptions of the courses or department programs are required as a result of adopting this course.

A3 Has this course been offered at IUP on trial basis? Yes. Dr. Affaneh taught the course under FI 481 in the Fall 1993. Twenty students enrolled in the course. It was well received by the students.

A4 Is this a dual level course? No

A5 Can the course be taken for variable credit? No

A6 Do other higher education institutions offer this course? (SSHE? Regional Colleges and universities? National Colleges and universities? If so, please list examples and provide copies of course descriptions where available.)

Yes, such as: Harvard, University of Wisconsin, University of Michigan, Penn State, University of Virginia, UCLA, Northwestern University, Columbia University, MIT, Dartmouth College, the University of Pittsburgh, etc.

A7 Is the content, or are the skills, of the proposed course recommended by a professional society, accrediting authority, law, or other external agency? No

B: INTERDISCIPLINARY IMPLICATIONS

B1 Will the course be taught by one instructor or will there be team teaching? One instructor

B2 What is the relationship between the content of this course and the content of courses offered by other departments?

There is another course called "International Economics" offered by the Economics Department. It deals with the macroeconomic issues of international trade among countries. But this suggested course deals with the financial management at the firm's level in an international or across the border environment. (See Attachment.)

B3 Will seats in this course be made available to students in continuing education? No

C: IMPLEMENTATION

C1 Are faculty resources adequate?

There is adequate faculty complement to teach the course. It has been observed that the demand for our business core course FI 310 Finance I is declining, thus freeing sufficient faculty complement to staff this course. This has been established by the fact that the course was taught as a special course topic (FI 481) in the Fall of 1993 with twenty students enrolled in the course, without negative affect upon the ability of the department to offer its traditional courses.

C2 What other resources will be needed to teach this course?

Space: Same experience as above; there has been and is adequate space.

Equipment: This course requires no equipment beyond standard classroom furnishings.

Laboratory Supplies and Other Consumable Goods: None

Library Materials: No new acquisitions would be necessitated.

Travel Funds: When available, for research and professional development.

C3 Are any of the resources funded by a grant? No

C4 How frequently do you expect this course to be offered?

Once a year, but not restricted to a particular semester or session.

C5 How many sections of this course do you anticipate offering in any single semester?

One section in any given semester.

C6 How many students do you plan to accommodate in a section of this course?

40 students, limited by classroom sizes in McElhaney and Uhler Halls.

C7 Does any professional society recommend enrollment limits or parameters for a course of this nature? If they do, please quote from the appropriate documents. No

D. MISCELLANEOUS

No additional information is necessary.