

MW 330-5 UTC 1.116 03795

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Office Hours	MW 515-6 or right after class in the classroom
TAs	Jane Ryngaert jane.ryngaert@utexas.edu
TA Office Hours	Tue-Thu 10-1130 in CBA 4.304A space B or via email
Course Web Page	Go to FIN 394-3 on Canvas for Class Handouts, Power Point Slides, Etc
Readings Packet:	Available in the GSB Copy Center, GSB 3rd floor, west side of GSB building
Teaching Style:	Lectures and Class Discussions

Course Objectives and Grades

Global Finance teaches you the foundations of international finance and its implications for managers operating in a global world. Topics include exchange rates, global money markets, the economic comparative advantage of countries, international market arbitrage, interest rate parity in global markets and multinational corporate finance. International political considerations will also be discussed since governments are the major source of country risk in global markets. We will also explore the country macroeconomic and central bank drivers of foreign exchange rates and inflation.

Exam 1 50% (one page cheat sheet OK – 8.5x11 with notes front and back)

This will cover all material covered in my lectures, PowerPoint slides, readings in the Packet, homework and additional reading materials posted on Canvas.

Exam 2 50% (one page cheat sheet OK – 8.5x11 with notes front and back)

This will cover all material covered in my lectures, PowerPoint slides, readings in the Packet, homework and additional reading materials posted on Canvas.

Many questions on the exams will be minor variations on the homework questions. Homework will be collected on the indicated due dates and answers distributed after that. I will check your answers at the end of the semester but only for students who are near a grade borderline.

If you miss either of the two exams, you must take the Final Exam.

You must take at least one of Exams 1 and 2 because the Final Exam will replace ONLY THE LOWEST of your grade on Exam 1 or Exam 2.

If you have taken both exams, you have the option of taking the Final Exam. Assuming it is higher than your lowest grade, the Final Exam will raise only that lowest of your two exam grades.

What is on the Exams: 10% will come from the readings packet The material on the exams will be variations on the lectures, homework, power point slides, lecture notes, materials handed out or referred to in class, class discussions and related readings. Class participation is not explicitly taken into account..

The schedule below may vary depending on current events.

Schedule and Readings Packet Topics (10% of exams from packet)

W Jan 18	1.1 Globalization	
M Jan 23	1.2 Comparative Advantage and Unit Labor Costs	
W Jan 25	2: The International Monetary System	Homework 1 Due
M Jan 30	3: The Balance of Payments and Deficits	
W Feb 1	4: International Trade	
M Feb 6	5: The Market for Foreign Exchange	
W Feb 8	6: Country Risk	Homework 2 Due
M Feb 13	7: Global System Risk	
W Feb 15	8.1: Global Macro Risk	
M Feb 20	8.2: Global Monetary Risk	
W Feb 22	9: Interest Rate Parity and the Carry Trade	Homework 3 Due
M Feb 27	Review for Exam 1 that you will take Tomorrow Night	
TUESDAY Feb 28	Exam 1 (Covers Topics 1 through 8.2) 6-9 PM UTC 2.102A	
W Mar 1	9: Interest Rate Parity and the Carry Trade	
M Mar 6	9: Interest Rate Parity and the Carry Trade	
W Mar 8	10.1: Absolute Purchasing Power Parity	
Mar 14-19 Spring Break		
M Mar 20	10.2: Relative Purchasing Power Parity	
W Mar 22	11: Forecasting Foreign Exchange Rates: Efficient Market Approach	
M Mar 27	12: Forecasting Foreign Exchange Rates: The Monetary Approach	
W Mar 28	13: Forecasting Foreign Exchange Rates: Technical Analysis	Homework 4 Due
M Apr 3	14.1: Hedging Transactions: Fundamentals, Forwards, & Options	
W Apr 5	14.2: Hedging Transactions: Money Market Techniques	
M Apr 10	15: Economic Strategy and Economic Exposure	
W Apr 12	16: Translation of Foreign Assets into \$	Homework 5 Due
M Apr 17	17: Multinational Corporate Investment (Foreign Direct Investment)	
W Apr 19	18: International Portfolio Investment	
M Apr 24	18: International Portfolio Investment	
W Apr 26	Review for Exam 2 which is tomorrow night	Homework 6 Due
THUR Apr 27	Exam 2 (Covers Topics 9 through 18) 6-9 pm UTC 2.112A	
M May 1	Review for Final Exam	
W May 3	Last Class Day Review for Final Exam.	

Final Exam – See UT Schedule (two pages of cheat sheets OK – 8.5x11 with notes front and back)
Final Exams May 11-14, 16-17 depending on when this course appears on the schedule

McCombs Classroom Professionalism Policy

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the Texas McCombs experience hinges on this.

Faculty are expected to be professional and prepared to deliver value for each and every class session. Students are expected to be professional in all respects. The Texas McCombs classroom experience is enhanced when:

- **Students arrive on time.**
- **Students display their name cards.**
- **Students are fully prepared for each class.**
- **Students attend the class section to which they are registered.**
- **Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged but intolerance for the views of others displays a lack of leadership skills.
- **Laptops are closed and put away except during class computer sessions.**
- **Phones and wireless devices are turned off.**
- **Minimize unscheduled personal breaks.** Disruptions impose negative externalities on others.

Academic Dishonesty

Dishonest students lose the respect of their classmates. As the instructor for this course, I agree to observe all the faculty responsibilities described in the Honor System. The responsibilities for both students and faculty with regard to the Honor System are described on the UT BBA website. You can get help from your classmates on the homework but you cannot help each other on the Exams.

The Honor Pledge

The University of Texas at Austin McCombs School of Business requires each enrolled student to adopt the Honor Pledge:

"I affirm that I belong to the honorable community of The University of Texas at Austin McCombs School. I will not lie, cheat or steal, nor will I tolerate those who do. I pledge my full support to the Honor System. I agree to be bound at all times by the Honor System and understand that any violation may result in my dismissal from the McCombs School of Business."

Students with Disabilities

Upon request, the University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. Services for Students with Disabilities (SSD) is housed in the Office of the Dean of Students, located on the fourth floor of the Student Services Building. Information on how to register, downloadable forms, including guidelines for documentation, accommodation request letters, and releases of information are available online at the web address below. Please do not hesitate to contact SSD at (512) 471-6259, VP: (512) 232-2937 or via e-mail if you have any questions.

<http://deanofstudents.utexas.edu/ssd/index.php>