



# David Eccles School of Business

---

THE UNIVERSITY OF UTAH

## International Finance

**Professor:** Dr. Robert Dubil

- E-mail: [robert.dubil@business.utah.edu](mailto:robert.dubil@business.utah.edu)  
Required Text: (ER) Eun, Cheol S. and Bruce G. Resnick, *International Financial Management*, Seventh Edition, ISBN 978-0-07-786160-5 (book only), McGraw-Hill Irwin 2015
- Other Materials: At: [www.business.utah.edu/~finrd/fin-Pforzheim](http://www.business.utah.edu/~finrd/fin-Pforzheim)  
(OB) O'Brien, Thomas J, *International Financial Economics: Corporate Decisions in Global Markets*, paperback reader 1996, revised 2005  
If asked to enter, the website user id and pwd are: bush

### Course Description:

Operating a corporation in an international environment engenders unique risks and opportunities. We focus on the corporation itself and the market environment around it. We review the corporate finance theory of shareholder value maximization. We study the spot and forward currency markets, the interest rate parity which binds the two, and currency options markets. Then we change the tack to examine the transaction, operating and translation exposure the corporation faces. We study operational and financial hedges it may use to manage the fixed and variable aspects of operating in different geographies. We end with accounting considerations and the overview of global bond and equity markets.

### Schedule:

**Tuesday, April 28, 13:45-20:30**

Session #1: Overview of International Finance and Trade  
Book Reading: ER 1, ER Appendix 1A

Session #2-1: A Multinational Corporation  
Book Reading: ER 1, pp. 8-9 only; ER 4, pp. 82-99 only; L2-Economist20150207

Session #2-2: International Monetary System  
Book Reading: skim ER 2; read pp. 34-47

Session #3: Spot and Forward FX markets  
Book Reading: ER 5

Session #4: FX Futures, Forward Rate Agreements (FRAs), Eurodollar (LIBOR) futures  
Book Reading: ER 7, pp. 173-180 only; ER 11, pp. 272-281 only

### **Thursday, April 30, 17:15-20:30**

Session #5: Interest Rate Parity  
Book Reading: ER 6, pp. 140-156 only

Session #6: FX Options  
Book Reading: ER 7, pp. 181-189 only

### **Saturday, May 2, 9:45-18:45**

Session #7: **Review and Quiz**  
Coverage: Everything up to now

Session #8: Transaction Exposure; Airbus or Richard May Mini Case Study  
Reading: ER 8

Session #9: Operating Exposure: Revenues  
Reading: ER 9, pp. 231-237 only; OB 5, pp. 1-9

Session #10: Economic Exposure  
Reading: ER9, pp. 225-230 only; OB 5, pp. 9-22

Session #11: Operating Exposure: Costs and Operational hedging  
Reading: ER 9, pp. 231-237 only; OB 6

### **Tuesday, May 5, 13:45-20:30**

Session #12: Translation Exposure under FASB and IAS  
Reading: ER 10, pp. 245-251 only, study exhibit 10.1AB

Session #13: International Bond and Equity Markets  
Reading: skim ER 12; skim ER 13

Session #14: Interest rate and Currency Swaps  
Reading: ER 14, pp. 348-355 only.

Session #15: **Final Exam**

### **Grading:**

Your grade for this (1/3) part of the course will be determined based on three items:

Written Quiz (Session #7)	35%
Oral Case Analysis (Session #8)	10%
Written Exam (Session #15)	55%

Students who do not attend at least 80% of the class automatically fail this part of the course.