Finance 7718  
Multinational Financial Management  

Fall, 2001  

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Classes: Monday: 4:40-7:30 pm in CEBA 1121

Objective: To develop in the student an understanding of the international aspects of financial management. The course focuses on the mechanics of foreign exchange, foreign exchange markets, the management of exchange risk, international investing, and the international dimensions of financing.


Grades: Three exams tests will be given. One of these is the final exam. Each exam counts 20% toward your final average. Homework problems count 25% and 15% is determined by a team report and presentation on “Globalization.”

Test Policy: Absent written medical reasons, exams must be taken when scheduled, otherwise make-up exams are not permitted. Instructor reserves the right to change the date of scheduled exams, except for the final exam.

Academic: “Students are responsible for maintaining and adhering to the strictest standards of honesty and integrity in every aspect of their lives. Honesty in academic matters is a large part of their obligation. Specific regulations governing student academic conduct are contained in the Code of Student Conduct, and these should be read to avoid any misunderstanding.

Blackboard: I will transmit classroom overheads, assignments and timely information on Blackboard at www.Blackboard.lsu.edu. Please check for Announcements prior to our Monday evening class. Copies of course transparencies can be found under Course Documents. Download these and bring them to class. This syllabus is available under Course Information. You may temporarily sign in as guest if you are not currently on the class roll.

Other: Cell telephones are disruptive and should be turned off while you are in the classroom.

* The course syllabus provides a general plan for the course; deviations may be necessary.

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**Homework #1, Due September 17**

**Questions and Problems:**

Chapter 1: Questions 2,7,8,12  
Chapter 2: Questions 7,9,17 and Problems 2, 11  
Chapter 3: Questions 5,11 and Problems 5,6,7  

**Internet Exercises:** (use the suggested URLs (internet addresses))

Chapter 1: Ex 1. Also, graph exports and imports from the top five for the last 10 years.  
Chapter 2: Exercises 1,2  
Chapter 3: Exercises 1,2
Homework #2: Due October 1

Questions and Problems
Chapter 4: Questions 3, 10 and Problems 1,5
Chapter 5: Questions 3,6,7 and Problems 3,5
Chapter 6: Questions 1,4 and Problems 1,4,5,9,10

Internet Exercises (use the suggested URLs)
Chapter 4: Exercises 3, 4
Chapter 5: Exercise 2
Chapter 6: Exercise 4,5

Homework #3: Due October 22

Questions and Problems
Chapter 7: Questions 1, 8 and Problems 1,3,7,and 13
Chapter 8: Questions 1,2,3,13 and Problems 2,4,5,6

Internet Exercises (use the suggested URLs)
Chapter 7: Exercise 4
Chapter 8: Exercise 1

Homework #4: Due November 5

Questions and Problems
Chapter 8: Questions 14, 22 and Problems 6,8,13
Chapter 9: Questions 1,3 and Problems 1,3
Chapter 10: Questions 7,15, 22 and Problems 1,4,15
Chapter 11: Questions 3,8 and Problems 10,32

Internet Exercises (use the suggested URLs)
Chapter 8: Exercise 1
Chapter 9: Exercise 1

Homework #5: Due November 26

Questions and Problems
Chapter 12: Question 16 and Problem 4
Chapter 13: Question 8 and Problems 1,3
Chapter 14: Questions 4,10 and Problems 1,5
Chapter 15: Questions 1,4 and Problems 1,2,12

Internet Exercises: (use the suggested URLs)
Chapter 13: Exercise 1
Chapter 14: Exercise 3
Chapter 14: Exercises 1,2,3
Team Reports

1. The Case For Globalization
2. The Case Against Globalization

There will be four teams. Two teams will each develop a report on “The Case For Globalization” and two teams will each develop a report on “The Case Against Globalization.” (i.e., there will be four independently developed team reports).

Your report should be about 15 pages, including tables. You should clearly define globalization and include positions taken by different constituencies, including multinationals, labor, environmentalists and human right organizations. Outline their basic position and justification. After the introduction, I am interested in an analysis of the pertinent data. This includes an analysis of time series measures of well-being in the developed and developing nations. For example, examine GDP per capita, unemployment rates and GDP growth rates. Look especially at these measures following important trade agreements such as NAFTA and the milestone events in the evolution of the European Union.

In looking at the case against Globalization, try to find measures of changes in environmental quality. What can we say quantitatively about global warming? Is it related to Globalization? What are greenhouse gases? Why are they thought to be bad? Are rainforests being destroyed at an increasing rate? What are the predictable consequences? Are there social dislocations because of Globalization? Do families move from rural settings to dangerous and socially disruptive urban environments? Why? Is there an increasing gap between per capital GDP in developing and developed countries? Are the wealthy nations benefiting at the expense of the poor nations?

There is a wealth of material on this subject. I suggest you go to the OECD website (www.oecd.org) and the World Bank website (www.worldbank.org) among others. You should also do WEB searches on the keyword “Globalization.”

You are also required, as a team, to present your report on the last day of class. This should lead to an interesting discussion between the opposing viewpoints.