

COMPARATIVE INTERNATIONAL BUSINESS
ECONOMICS 2162B-001
Department of Economics
Western University

D. McKeon

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Registration

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisites: Economics 2150A/B and Economics 2152A/B.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an antirequisite course. Lack of prerequisites may not be used as basis of appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment in your fees. This decision can not be appealed. If you do not have the course prerequisites, it is in your best interest to drop the course before the end of the add/drop period. Your prompt attention to this matter will not only help to protect your academic record, but will ensure that spaces become available for students who require this course for graduation.

Course Description

The operation of business today requires that firms take an international perspective in order to remain competitive and profitable. Hence, the international business firm necessarily must deal with international finance.

This course will focus on the use of international financial markets as a method of raising capital and mitigating risk.

Foreign exchange markets, money markets, bond and equity markets will be covered in an international context.

In addition foreign direct investment, political risk, capital budgeting, taxation and corporate governance will be discussed.

Learning objectives

This course aims to engage students in the workings of the international financial markets. At the end of this course student will be able to:

- Identify the various financial tools used by the international firm to operate in international markets.

Participate in discussions on risk management of the firm from an international perspective.
- Discuss the effect of exchange rates on transactions

Course Materials

The textbook for the course is: Eiteman David, Arthur Stonehill and Michael Moffat. *Fundamentals of International Business Finance*. Sixth Edition Pearson 2018

There is also an OWL course site where I will post **some of the additional material used in the course**. This site will require your personnel UWO email password.

Problems

There are no problems sets that are you must hand in for marks. However, I do problems **in class** and assign problems from time to time. You are advised to do the problems and, more importantly, understand the meaning of the results and relevance of the problem solving process. Often, but not necessarily, exam questions are loosely based on these examples.

Evaluation

The course grade will be based on two midterm tests and a final exam. The midterms are modular and the final is comprehensive. The material for all tests and exams consists of the topics covered in the text (see below) and the material covered in the lectures. Some of the topics covered in the lectures, **including problems done in class, may not appear in the text**. Students are reminded that they are responsible for this material.

The distribution of the marks is as follows:

Midterm I	25%
Midterm II	25%
Final	50%

The exams must be written on the assigned dates. Make up exams will not be given. **In extraordinary circumstances, which must be supported by verifiable official documentation**, the marks allocated to a missed midterm may be redistributed.

Important Dates

Midterm I Feb 6
Midterm II..... Mar 13

Course Outline

Introduction to the international monetary system
.Balance of Payments..... Chapter 3
The Foreign Exchange Market..... Chapter 5
International parity conditions..... Chapter 6
Foreign Exchange derivatives..... Chapter 7
Interest rate riskChapter 8
Transaction Exposure.....Chapter 10
Global Cost of Capital.....Chapter 13
Raising Debt and Equity Globally.....Chapter 14
Multinational Tax.....Chapter 15
Trade Financing.....Chapter 16
Foreign Direct Investment.....Chapter 17

N.B. Additional topics may be added or some of the above topics may be deleted or revised. Students are reminded that attending lectures and keeping abreast of all changes to the course curriculum are their responsibility.

Please Note

Department Policies for 2018-2019

Remember that the University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at:
<http://westerncalendar.uwo.ca>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations”
http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as a notation on an official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the Student Academic Appeals section in the current Western Academic Calendar at:
http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14
Please note the relevant deadlines.

The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for their appeal. A checklist is provided at: http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals.

7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.

8. Note the following add and drop deadlines:

Deadline to add a second term half course:

Tuesday January 15, 2019

Deadline to drop a second term half course:

Thursday March 7, 2019

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policy Regarding Makeup Tests and Final Examinations

*Academic accommodation will **not** be granted automatically on request. Students **must** demonstrate by documentation that there are **compelling** medical or compassionate grounds before academic accommodation will be considered.*

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or having their value reweighted on a retroactive basis, is **not** permitted. Students must also book travel arrangements AFTER final exam dates have been posted as they must not conflict with test or final exams.

Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

Students who seek a makeup exam must also provide supporting medical or other relevant documentation that their absence from a scheduled test or exam is beyond their control. Documentation should be submitted to the Academic Counselling Office of the student's *home* Faculty **as soon as possible (preferably within 24 hours of the scheduled test)**. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. If the documentation submitted is not acceptable, students will receive a zero for the missed test.

For personal illness, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit. The off-campus medical certificate form must also be used and can be found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.

Notes stating "For Medical Reasons" are not considered sufficient.

For religious or compassionate circumstances, students should ask their Academic Counsellor what documentation to provide. If documentation is judged sufficient, the Academic Counsellor will issue a Recommendation for a Special Examination (a single form for midterms or a triple-color form for final exams). Once students have this form, they must contact their instructor as soon as possible to make arrangements. Even if approved by their Academic Counsellor, there is no guarantee that students will be allowed to write the makeup test/exam.

For final examinations, students need to seek permission from their *home* Faculty Counsellor, Instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in a grade of zero. Students must ensure that the Special Examination form has been signed by the Instructor and Department Undergraduate Director and that the form is returned to the Academic Counselling Office for approval without delay. If approved, makeup examinations will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

The Faculty of Social Science's policies regarding academic accommodation is found at http://counselling.ssc.uwo.ca/procedures/having_problems/index.html.

"Academic Rights and Responsibilities" are also outlined in the Western Calendar at <http://westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&command=showCategory&SelectedCalendar=Live&ArchiveID=>. Claiming that "you didn't know what to do" is not an acceptable excuse for not following the stated procedures.

Policy Regarding Class Attendance

If the instructor deems a student's class attendance as unsatisfactory, that student may be prohibited from writing the final examination. If there is intent to make use of this University policy, the student will be notified in writing.

Statement on Mental Health and Support Services

Students under emotional/mental distress should visit http://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.