

**COMPARATIVE INTERNATIONAL BUSINESS
ECONOMICS EC2162B-001
Department of Economics
Western University**

January 2025

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Office hours: *Friday 1:00 p.m. – 3:00 p.m.*
Delivery mode: *In-person*
Meeting time(s): *Monday and Wednesday 4:30 p.m. – 6:00 p.m.*
Classroom: *3022 SSC*
Course website: <https://westernu.brightspace.com/>
Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or econugrd@uwo.ca

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.

Prerequisite:

The prerequisite(s) for this course is (are) **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 any anti-requisite courses. Lack of prerequisites may not be used as a basis for 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 to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Description:

This course is an introduction to the study of international business and finance. The diversification of cash flows across countries provides multinationals with a financing advantage over domestic firms. This course will focus on the use of international financial markets as a method of raising capital and mitigating risk. The foreign exchange market, foreign direct investment, and financial globalization and strategy will be covered.

Course Objectives:

This introductory course is designed to provide second-year university students with a solid foundation in international business finance.

The content of this course and recommended readings from “Multinational Business Finance, 16th edition” (MBF) and “International Business: Competing in the Global Marketplace, 14th edition” (IB) are listed below:

Introduction to international business and financial management	Chapter 1 MBF
International Trade Theory	Chapter 6 IB
Foreign Direct Investment	Chapter 17 MBF/Chapter 8 IB
International Monetary System	Chapter 2 MBF/Chapter 11 IB
Balance of Payments.....	Chapter 3 MBF
Global Cost of Capital	Chapter 13 MBF/Chapter 12 IB
Funding the Multinational Firm	Chapter 14 MBF
The Foreign Exchange Market.....	Chapter 5 MBF/Chapter 10 IB
International Parity Conditions.....	Chapter 6 MBF
Foreign Exchange Rate Determination	Chapter 9 MBF
Foreign Currency Derivatives.....	Chapter 7 MBF
Interest Rate Risk and Swaps	Chapter 8 MBF
Foreign Exchange Exposure.....	Chapter 10-12 MBF

*All topics and the order of topics are tentative and subject to change.

You are expected to attend every lecture in its entirety.

There are assigned practice problem sets from time to time. Even though they are not graded, students are advised to do the problems and, more importantly, understand the meaning of the results and the relevance of the problem-solving process. Often, but not necessarily, exam questions are loosely based on those practice problems.

Course Learning Outcomes:

After the completion of this course, students will be able to:

- understand the function of the foreign exchange market and fundamental related theories
- 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.

Textbook(s) and Course Materials:

There is no required textbook for this course, but lectures will closely follow the book by David K. Eiteman, Arthur I. Stonehill, and Michael H. Moffett, “Multinational Business Finance, 16th edition,” published by Pearson (February 1, 2022). This book costs C\$113. Another recommended

reading is Charles Hill's "International Business: Competing in the Global Marketplace, 14th edition", published by McGraw-Hill Education (Feb. 10, 2014). This book provides students with numerous good case studies and costs C\$97. Students are welcome to borrow or purchase second-hand or earlier editions of the aforementioned books.

Students are responsible for all material covered in lectures. Please note that materials online will not cover everything that we will discuss in class, so it is important that you maintain a full set of notes on in-class material.

Assessments and Grading:

Midterm I: Monday, February 3rd – 4:30 p.m. – 6:00 p.m. 27%
Midterm II (not eligible for self-attestation): Monday, March 10th – 4:30 p.m. – 6:00 p.m. ... 33%
Final: set by registrar.....40%

As noted above, self-attestation cannot be used for consideration if students miss midterm II. Whenever self-attestation isn't possible to use, if a student misses an examination due to illness or other acceptable excuse the student must present official documentation justifying the absence to the Academic Counselling (AC) office. Email your professor within 48 hours of the midterm time to notify that you are in the process of obtaining accommodation from the Academic Counselling office. For more details regarding academic accommodation, please see Western University's policies on pages 5 and 6 of this course outline.

If the academic counsellor does not approve your absence from the midterm exam, or if there is no justification for your absence, a grade of zero is assigned. If the academic counsellor approves your absence from either midterm I or midterm II, the weight of that midterm will be added to the final exam.

Students MUST keep abreast of course developments on an ongoing basis. Any changes to the course material, dates or assessments will be announced in class. Failure to keep up with course changes or date deadlines will not be considered for grade accommodation.

Professionalism, Privacy, and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by copyright. Students may take notes and make copies of course materials for their own educational purposes only.
- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent.
- Recordings (audio or video) are not permitted without explicit, written permission. Permitted recordings may not be distributed or shared

PLEASE NOTE
DEPARTMENT & UNIVERSITY POLICIES FOR WINTER 2025

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, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. A [*new academic consideration and flexibility in assessment*](#) policy is in effect starting September 2024. Students can miss one assessment per course per term without medical documentation. Faculty can designate one assessment per course for which students **cannot** self-attest.
3. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
4. **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 suspension or expulsion.
5. **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 4.

6. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
7. **Appeals:** University policies and procedures for appealing a mark can be found in 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.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. 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 to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

8. **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.
9. **ADD AND DROP DEADLINES:**

- Deadline to **ADD** second term full or half course: **January 14, 2025**
- Deadline to **DROP** second term full or half course: **March 31, 2025**

Policy Regarding Makeup Tests and Final Examinations

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.

Policies Regarding Academic Accommodation

- 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. The Faculty of Social Science's policies on academic accommodation are found at https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, 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 **48 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 to the instructor, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

- For medical illnesses, 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/assessment. Student Medical Certificate (SMC) is available here:
https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medical_certificate.pdf
- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons.
- **Western University policy on Consideration for Student Absence** is available here:
https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the 2024 Diversity Calendar available at <https://www.edi.uwo.ca/> (see bottom right of page).

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Gender-Based and Sexual Violence: Western is committed to reducing incidents of gender-based and sexual violence (GBSV) and providing compassionate support to anyone who is going through or has gone through these traumatic events. If you are experiencing or have experienced GBSV (either recently or in the past), you will find information about support services for survivors, including emergency contacts at the following website: [Get Help](#). To connect with a case manager or set up an appointment, please contact support@uwo.ca.

Statement on Mental Health and Support Services: Students who are in emotional/mental distress should refer to Mental Health@Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

Statement on Remote Proctoring: While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.