LEN RUSHFIELD

MBA 610.63

INTERNATIONAL FINANCE

SPRING 2005

WEDNESDAY

6:00 PM – 10:00 PM

WESTLAKE VILLAGE CENTER

SYLLABUS
International Finance
MBA 610.63
Westlake Village Center
Wednesday 1/5-2/16/05

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Course Objectives
MBA 610.63 is intended to provide a foundation of understanding of international finance and the critical options for corporate financial management within the global markets. Intensive reading will establish the basis of information on international financial structure, processes and techniques. Cases will identify important real issues and provide experience in understanding alternative solutions and developing methods to reach these solutions.

Course Description
The course explores the responsibilities of financial managers of multinational firms or firms with multinational affiliates, suppliers, or product markets. Topics covered emphasize exchange rate risks and hedging using derivative securities such as futures contracts, forward contracts and options. International payment mechanisms and financing and trade strategies are examined and applied in a shareholder-value maximization framework.

Texts and Course Materials
- Cases in International Finance, 2000; Moffett; Addison Wesley; ISBN 0-201-70086-7

Course Expectations
1. Commitment to reading and understanding of text and other assigned materials.
2. Understanding of all case assignments – with or without written reports.
3. Active and informed participation in class discussions.
4. Timely and effective completion of assignments.
5. Energetic and effective involvement in team projects, especially the International Finance Case Study.
**Class discussion of assignments**
A principal obligation is to keep up with the assigned chapters within the course study outline contained in this syllabus. In addition, you are asked to follow current business policy/financial issues reported by the press. Reading of the *Wall Street Journal* is strongly recommended. The financial section of the *Los Angeles Times* is a minimum necessity. Class attendance is expected and participation (individually and in groups) will be evaluated.

**Major Topic Case Studies**
The course will focus on the application of international financial principles to specific business situations. A number of case assignments will be assigned for each session. **At each session one case will be designated for a written report.** All assigned cases should be reviewed carefully with responses considered for all questions at the end of the case. Analysis of the issues and effective presentation of this analysis will constitute a major responsibility for the course. **Initial assignments are due in the first class session – note syllabus information.**

**International Finance Case Study**
The study will integrate a key educational experience with a reality based approach to dealing with important corporate financial issues. Five cases will be assigned for group study and reports. These cases will be due in Sessions 3-7. The class will be divided into working groups of 3 or 4 members. These working groups will each be assigned responsibility for one specific case. **All students are expected to have a thorough knowledge of all case assignments and be prepared for discussion.** More information will be provided in class about the assignments and the expectations for the reports. Prior to the first session it would be helpful for students to consider the membership of their working groups.

**Grading**

**NUMBER/LETTER GRADING RELATIONSHIP**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>93% - 100%</td>
</tr>
<tr>
<td>A-</td>
<td>88% - 92%</td>
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<tr>
<td>B+</td>
<td>85% - 87%</td>
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<tr>
<td>B</td>
<td>83% - 85%</td>
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<tr>
<td>B-</td>
<td>80% - 82%</td>
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<tr>
<td>C+</td>
<td>77% - 79%</td>
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<tr>
<td>C</td>
<td>73% - 76%</td>
</tr>
<tr>
<td>C-</td>
<td>70% - 72%</td>
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<tr>
<td>D+</td>
<td>67% - 69%</td>
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<tr>
<td>D</td>
<td>63% - 66%</td>
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<tr>
<td>D-</td>
<td>60% - 62%</td>
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<tr>
<td>F</td>
<td>below 60%</td>
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**Grade Weighting**
Final grades will be based on the following weighted factors.

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Participation in discussions</td>
<td>15</td>
</tr>
<tr>
<td>Major Topic Cases</td>
<td>60 (3x15; 3x5)</td>
</tr>
<tr>
<td>Group Case Presentation</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
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</table>

Attendance
Because of the intensity of this class, it is important that you come well prepared. Students are responsible for all information given during the class instruction. If a student misses a class or arrives significantly late a make-up assignment may be required and incorporated in the participation grade. Students missing one class will need to make arrangements with the instructor for special make-up work. The instructor should be informed of absences prior to the class. Absences should involve urgent and unavoidable reasons. Students missing two or more classes may not receive credit for the course.

Conduct

“The University expects from all of its students and employees the highest standard of moral and ethical behavior in harmony with its Christian philosophy and purposes. Engaging in or promoting conduct or lifestyles inconsistent with traditional Christian values is not acceptable.

The following regulations apply to any person, graduate or undergraduate, who is enrolled as a Pepperdine University student. These rules are not to be interpreted as all-inclusive as to situations in which discipline will be invoked. They are illustrative, and the University reserves the right to take disciplinary action in appropriate circumstances not set out in this catalog. It is understood that each student who enrolls at Pepperdine University will assume the responsibilities involved by adhering to the regulations of the University. Students are expected to respect order, morality, personal honor, and the rights and property of others at all times. Examples of improper conduct for which students are subject to discipline are as follows:

- Dishonesty in any form, including plagiarism, illegal copying of software, and knowingly furnishing false information to the University.
- Forgery, alteration, or misuse of University documents, records, or identification.
- Failure to comply with written or verbal directives of duly authorized University officials who are acting in the performance of assigned duties.
- Interference with the academic or administrative process of the University or any of the approved activities.
- Otherwise unprotected behavior that disrupts the classroom environment.
- Theft or damage to property.
- Violation of civil or criminal codes of local, state, or federal governments.
- Unauthorized use of or entry into University facilities.
- Violation of any stated policies or regulations governing student relationships to the University.

Disciplinary action may involve, but is not limited to, one or a combination of the alternatives listed below:
**Dismissal** – separation of the student from the University on a permanent basis.

**Suspension** – separation of the student from the University for a specified length of time.

**Probation** – status of the student indicating that the relationship with the University is tenuous and that the student’s records will be reviewed periodically to determine suitability to remain enrolled. Specific limitations to and restrictions of the student’s privileges may accompany probation.”  GSBM Catalog, pgs. 204-205.

**Policy on Disabilities**

**Assistance for Students with Disabilities**

“Students with disabilities, whether mental or physical, are encouraged to contact the Equal Opportunity Office before the academic year begins or soon after classes are in session. This office will assist each student by providing general information about campus facilities and available resources. The office will assist in providing reasonable accommodation to students with disabilities pursuant to applicable laws. Inquiries should be directed to equal opportunity officer, Lauren Breeding, (310) 506-6500. (Students who wish to file a formal grievance should refer to the “Nondiscrimination Policy,” which is listed in the “Legal Notices” section of this catalog.)”  GSBM Catalog, pg. 35.
<table>
<thead>
<tr>
<th>Week/Number</th>
<th>Series</th>
<th>Topics</th>
<th>Readings</th>
<th>Assignments - Text / Casebook - Major Cases and Group Cases</th>
</tr>
</thead>
</table>
| 1           |        | Global Finance – Fundamental Elements | Ch 1 – Globalization  
               Ch 2 – Foreign Exchange  
               Ch 3 – Balance of Payments  
               Ch 6 – Foreign Exchange Markets | Brazil Telecom (page 20)  
                                           Russian Gold Loan (42)  
                                           Turkey’s Kriz (62) – written report (5%)  
                                           Willem Vandewater and the Euro (136) |
| 2           |        | Foreign Exchange Exposure | Ch. 8 – Transactions  
               Ch. 9 - Operations  
               Ch. 10 – Translations | Lufthansa (194)  
                                 / Casebook–Case 8 (88) - written report (15%)  
                                 Toyota Europe (216)  
                                 Hedging Euros (237) |
| 3           |        | Global Equity: Sources and Markets | Ch 15– Foreign Direct Investment  
               Ch 11 – Global Capital : Cost and Availability | Benecol (350)  
                                           Bang & Olufsen (264) – written report (5%)  
                                           Case Presentation: Multiquimica do Brasil (Moffett Case #6, p.73) |
| 4           |        | International Finance | Ch 23 – Trade  
               Ch 12– Sourcing Capital  
               Ch. 13 – Debt | Crosswell International (553)/ Casebook – Case 9 (94) – written report (15%)  
                                               Deutsche Bank (281)  
                                               Petrozuata (306)  
                                               Case Presentation: Far East Trading (Case #12, p.136) |
| 5           |        | International Investment Concepts | Ch. 18– Crossborder M & A  
               Ch. 17 – Adjusting for Risk | Cemex (430)  
                                           Motorola (398) – written report (5%) |
| 6 | **International Funds Management** | Ch 21 – Repositioning Funds Ch. 22 – Working Capital Management |
| 7 | **Multinational Financial Techniques** | 16. Budgeting 20. Tax Management |

Case Presentation: 
Tianjin Plastics (Case #17, p. 201).

Ford Asia (502) 
**Honeywell (531) / Casebook – Case 3 (40)– written report (15%)**

Case Presentation: 
Northwestern Paper (Case #23, p. 287).

Trident China (371) 
Romanian Communications (479)

Case Presentation: 
Financial Crisis at Euro – Disney (Assignment to be provided).

The schedule may be changed at any regularly scheduled class meeting depending on class requirements.