



International Money & Finance
IFSA International Business in Shanghai, China

Suggested US semester credit hours: 3 credits

Contact hours: 45

IFSA-Butler course code: ECON371/FINC370

Course length: Semester

Delivery method: Face to face

Language of Instruction: English

COURSE DESCRIPTION

Financial management is the management of the flow of funds available to an organization. In a market economy, it is often viewed as the integrating discipline of management, moderating the flow of capital, and risks and rewards between savers and users of capital. A primary objective of financial management in the United States is to create and preserve shareholder value or wealth. Clearly, that objective does not hold in many parts of the world, China included. While the textbook mostly considers the US perspective, that perspective will be questioned from time to time, as other interests are considered.

Through case discussions from Asia and elsewhere and the supplementing readings in the text, this course will help you to develop the knowledge, skills, critical thinking abilities and behaviors required of any manager, not only those specialized in finance. Although the focus of this course is for profit-seeking firms, much of what is learned has applicability for organizations in the not-for-profit and governmental sectors as well. The course will raise ethical issues where appropriate.

STUDENT LEARNING OBJECTIVES

- Understand the key elements of market economies.
- Identify differences between financial management practices in different nations, particularly the US and China.
- Strengthen critical thinking skills.
- Become familiar with resources available for further research on international financial markets.
- Make cognitive connections between learning in this course and other learning experiences in the IFSA International Business program in Shanghai.

COURSE SCHEDULE

Session 1 Topic: Time Value of Money

Readings: Chapters 3,4.

Description: This session will cover the methods and difficulties of projecting future money flows and turning it into today's values. This will further be used in many future sessions as all company valuations are done through this.

Session 2 Topic: Bond valuation, Risk and Return

Readings: Chapter 4,5

Description: We will talk more on the time value of money, and estimating and incorporating risk and returns in our calculations.

Session 3 Topic: Interpretation of Financial Statements

Readings: Chapter 6, 7

Description: This session will go into analysis of financial statements and cash flows

Session 4 Topic: Working Capital Management

Readings: Chapter 8, 9, 10

Description: These few weeks we will talk about managing working capital, securities and inventory.

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Readings: Chapter 8, 9, 10

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Session 6 Topic: Mid-Term Exam

Session 7 Topic: Capital Budgeting

Readings: Chapter 12, 13

Description: We will talk about how to determine whether a project is feasible or not, and learn about project comparison

Session 8 Topic: Cost of Capital, Capital Structure, Dividend Policy

Readings: Chapter 15, 16, 17, 18

Description: In these sessions we will learn about how a company can get money (Stock, preferred stock, and loans), how it should balance those sources, and how it can reward the shareholders for their investments.

Session 9 Topic: Cost of Capital, Capital Structure, Dividend Policy

Readings: Chapter 15, 16, 17, 18

Description: In these sessions we will learn about how a company can get money (Stock, preferred stock, and loans), how it should balance those sources, and how it can reward the shareholders for their investments.

Session 10 Topic: Cost of Capital, Capital Structure, Dividend Policy

Readings: Chapter 15, 16, 17, 18

Description: In these sessions we will learn about how a company can get money (Stock, preferred stock, and loans), how it should balance those sources, and how it can reward the shareholders for their investments.

Session 11 Topic: Company Valuation

Readings: A predetermined Chinese public company financial statements

Description: Students will apply their learned knowledge on reading statements from one of the companies that are listed on the Shanghai Stock Exchange. They will analyze their profitability and management through ratios and news and need to make a decision about should the company stock be purchased or not.

Session 12 Topic: Cost of Capital, Capital Structure, Dividend Policy, (Mergers and Acquisitions)

Readings: Chapter 15, 16, 17, 18

Description: In these sessions we will learn about how a company can get money (Stock, preferred stock, and loans), how it should balance those sources, and how it can reward the shareholders for their investments.

If time permits, M&A valuation will also be covered.

Session 13 Topic: Review

Readings: All chapters previously covered after midterm exam

Description: In these sessions we will review the topics covered one more time, with a special attention to calculating

Session 14 Final Exam

Readings: All course material.

Description: Final Examination will be closed book held in class (about 3 hours).

REQUIRED TEXTS

Textbook: *Fundamentals of financial management* / James C. Van Horne, John M. Wachowicz. – 13th ed. Pearson Education, Essex

Textbook Powerpoint Presentations; Textbook Website; Case studies (will be handed out in class)...

EVALUATION METHODS

Attendance	10%
Participation	20%
Presentation-Class 10	25%
Midterm Exam	20%
Final Exam	25%

Class interaction & in-class discussion

Students must attend all classes on time, study the assigned reading before the class, and proactively contribute to class by offering ideas and asking questions during the lectures. In the classroom, students must listen when others talking, not involving with non-related activities in classroom, such as computer/handset gaming, chatting, or anything which is disturbing others.

Grading

Alliance programs utilize the follow standard grading policy well accepted by most US institutions.

Excellent	A	93-100%	Good	B+	87-89%	Acceptable	C+	77-79%
	A-	90-92%		B	83-86%		C	73-76%
				B-	80-82%		C-	70-72%
						Unsatisfactory	D+	67-69%
							D	63-66%
							D-	60-62%
						Failing	F	<60%

COURSE POLICIES

Exams and Assignments

Students are required to take all regularly scheduled exams in courses for which they are registered, and to submit all assignments on time. Any compelling academic, personal, or medical reason that might justify a rescheduled exam or assignment must be brought up to the Resident Director, not program faculty. Failure to take scheduled exams or submit the requisite assignments for a course will adversely affect your grade as per the stated grading criteria for each course.

Classroom Conduct

Student punctuality is extremely important in China and India. Please do not be late for classes or other activities, as it is considered impolite to do so. It is improper to eat in class, to engage in other activities such as texting, or to slump or nap. Students are expected to be alert and engaged as a sign of respect for their professors.

Attendance

Everyone benefits by learning from each other; if students are not present, it affects everyone and negatively impacts the program. Attendance is required for all classes and mandatory field visits; attendance will be recorded. Students must notify their instructors and the Resident Director ahead of their absence from class or class-related activities. Class participation is expected and is a contributing factor to students' final course grades. Students' grades will be reduced for excessive absences.

TIMELY SUBMISSIONS

Assignments submitted after the deadline will be accepted at the discretion of the course instructor and generally only in the event of a documented illness or emergency.

ACADEMIC INTEGRITY

Any academic endeavor must be based upon a foundation of honesty and integrity. Students are expected to abide by principles of academic integrity and must be willing to bear individual responsibility for their work while studying abroad. Any academic work (written or otherwise) submitted to fulfill an academic requirement must represent a student's original work. Any act of academic misconduct, such as cheating, fabrication, forgery, plagiarism, or facilitating academic dishonesty, will subject a student to disciplinary action.

IFSA-Butler takes academic integrity very seriously. Students must not accept outside assistance without permission from the instructor. Additionally, students must document all sources according to the instructions of the professor. Should your instructor suspect you of plagiarism, cheating, or other forms of academic dishonesty, you may receive a failing grade for the course and disciplinary action may result. The incident will be reported to the IFSA-Butler resident director as well as your home institution.