Instructor: Hao-Chen Liu  
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Course Description
This course introduces the operation of international financial markets and financial management in the global environment. It builds an understanding of international finance management in the global environment. It builds an understanding of international finance through both theoretical and practical approaches. Topics covered will include history and development of currency markets, currency derivatives and their applications, types of foreign exchange risk exposure and hedging strategies, market microstructure, and trade finance.

Required Textbook

Prerequisites
Junior or senior standing; ECON 200, 201; FINC 303

Learning Goals
The goals of this course are for you to understand international financial markets and manage financial risk in an international business environment. You will possess the quantitative skills, communication skills, be aware of important ethical issues in finance, and know the following when you finish this course:

• The history, development, and mechanism of currency market
• The instruments in the foreign exchange market including currency derivatives and their uses
• Foreign exchange exposure and management: types of risk exposure and hedging strategies
• International financial markets and institutions
Grade Determination
Final grade will be determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>17.5%</td>
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<tr>
<td>Exam 2</td>
<td>17.5%</td>
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<tr>
<td>Exam 3</td>
<td>17.5%</td>
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<tr>
<td>Final Exam (Comprehensive)</td>
<td>22.5%</td>
</tr>
<tr>
<td>Homework assignments</td>
<td>10%</td>
</tr>
<tr>
<td>Currency game and report</td>
<td>10%</td>
</tr>
<tr>
<td>Wildcard for best all-around performance</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

The wildcards increase the importance of your best scores.

The Overall Performance Score computes with this letter grade distribution:

- $92.0 \leq \text{average} \Rightarrow \text{A}$
- $72.0 \leq \text{average} < 77.0 \Rightarrow \text{C}$
- $89.5 \leq \text{average} < 92.0 \Rightarrow \text{A-}$
- $69.5 \leq \text{average} < 72.0 \Rightarrow \text{C-}$
- $87.0 \leq \text{average} < 89.5 \Rightarrow \text{B+}$
- $67.0 \leq \text{average} < 69.5 \Rightarrow \text{D+}$
- $82.0 \leq \text{average} < 87.0 \Rightarrow \text{B}$
- $62.0 \leq \text{average} < 67.0 \Rightarrow \text{D}$
- $79.5 \leq \text{average} < 82.0 \Rightarrow \text{B-}$
- $59.5 \leq \text{average} < 62.0 \Rightarrow \text{D-}$
- $77.0 \leq \text{average} < 79.5 \Rightarrow \text{C+}$
- average $< 59.5 \Rightarrow \text{F}$

Trading Game
This game replicates a foreign exchange market. The purpose of this game is to make you familiar with the foreign exchange trading. Each one of you will participate on a web-based trading market. Your grade on the game will be based on your participation and a report to be turned in at the end of the semester. More information will be given after Exam 1.

Homework
Each assignment is to be submitted to Dropbox on Oaks by due date and time. The Dropbox will be closed when the assignment is due. Late homework WILL NOT BE ACCEPTED. Homework must be typed. Your attendance will determine the number of homework assignments to be dropped (See attendance policy).

Exam Policy
- Exams are administered in-class and therefore time conflicts should not occur. No make-up exam will be given. If extenuating circumstances cause you to miss an exam then you, or your designee, must contact me by the end of exam day. The weight of the missed exam will be added to that of the final exam.
- At the end of semester, you may use your final exam as a replacement of the lowest scored exam of exams 1, 2, and 3. However, if you miss at least one of the exams 1, 2, and 3 exams, final exam will be used to replace your missed exam(s) only.
- A formula sheet will be provided for each exam except the final exam.
For the final exam, you may prepare your own formula sheet on a letter-size paper (8.5”x11”) but only limited to the front side. Typing is allowed. Violation of the rules (e.g., using wrong paper size or both side of the paper) will result in forfeiture of the paper.

Other Issues
(1) Grade appeal: To appeal your grade, contact me within 3 class days of the general return of the exam. Your grades on assessments prior to the final should be discussed before you take the final. After the final exam, the only issue on the table for discussion is the final exam itself.
(2) Attendance policy: Attendance will be taken on regular basis. Your attendance will affect the number of homework assignments to be dropped.

<table>
<thead>
<tr>
<th># of missed classes</th>
<th># of homework to be dropped</th>
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<tbody>
<tr>
<td>0</td>
<td>2</td>
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<tr>
<td>1</td>
<td>1</td>
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<tr>
<td>2 or more</td>
<td>0</td>
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(3) Email policy: I will respond only to emails sent through student email accounts (i.e. cofc accounts). On the email subject line, put “FINC-382”. Email received after 3 p.m. may not be replied until next working day (i.e., Monday to Friday). If you do not receive my reply by the next working day, send it again.
(4) It is your responsibility to check with your fellow students or me on any announcement made in class if you miss the class.
(5) Please silent cell phones and any communication devises when class/exam is in session. If you have any special need which requires using electronic devises during class/exam, come see me.
(6) I strongly recommend you bring a calculator to class. No specific type of calculator is required but a financial calculator is preferred.
(7) I encourage you to take advantage of the Writing Lab in the Center for Student Learning (Addlestone Library, first floor). Trained writing consultants can help with writing for all courses; they offer one-to-one consultations that address everything from brainstorming and developing ideas to crafting strong sentences and documenting sources. For more information, please call 843.953.5635 or visit http://csl.cofc.edu/labs/writing-lab/.
(8) If you have a documented disability and have been approved to receive accommodations through the Center for Disability Services/SNAP (Students Needing Access Parity), please come and discuss this with me during my office hours.

Important Dates
• Exam dates:
  Exam 1: Thursday, September 21
  Exam 2: Tuesday, October 24
  Exam 3: Tuesday, November 28
  Comprehensive Final: Tuesday, December 12 (8 a.m. to 11 a.m.)
• Last day to Drop/Add: Monday, August 28
• Fall break (collegewide, no class): Monday-Tuesday, October 16-17
• Last day to withdraw with a “W”: Thursday, October 26
• Thanksgiving holiday (collegewide, no class): Wednesday, November 22 to Sunday, November 26
• Last day of our class (FINC-382): Thursday, November 30
Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved. Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file. Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board. Students should be aware that unauthorized collaboration--working together without permission-- is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others’ exams, fabricating data, and giving unauthorized assistance. Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor. Students can find the complete Honor Code and all related processes in the Student Handbook at http://studentaffairs.cofc.edu/honorsystem/studenthandbook/index.php