

SIMON FRASER UNIVERSITY
Faculty of Business Administration

BUS 418
International Financial Management

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Prerequisites: BUS 315; 60 credit hours; BUS 316

Required Text:

Poitras, Risk Management, Speculation and Derivative Securities, Academic Press, 2002.

Note: Additional readings are accessible in a Readings Package which is on Reserve in the Library. Some suggested readings are also posted on the course webpage.

Recommended Texts:

B. Solnik, International Investments (4th ed.), Addison-Wesley, 2000.
J. Hull, Options, Futures and Other Derivatives, (4th ed.), Prentice-Hall, 2000.

Other Useful Readings:

P. Bernstein, Capital Ideas, The Improbable Origins of Modern Wall Street, New York: Free Press, 1992.
Z. Bodie, A. Kane and A. Marcus, Investments Irwin, 1993 (2nd ed.)
E. Elton and M. Gruber, Modern Portfolio Theory and Investment Analysis New York: Wiley, 1995.
O. Grabbe, International Financial Markets, New York: Elsevier, 1991.
B. Malkiel, A Random Walk Down Wall Street, New York: Norton, 1995.
S. Mason, R. Merton, A. Perold and P. Tufano, Cases in Financial Engineering, Prentice-Hall, 1995.
J. Nofsinger, The Psychology of Investing, Upper Saddle River, NJ: Prentice-Hall, 2002.
K. Palepu, P. Healy and V. Bernard, Business Analysis and Valuation, Cincinnati: Southwestern, 2000.
S. Penman, Financial Statement Analysis and Security Valuation, New York: McGraw-Hill, 2001.

Course Objectives: This course examines the management of assets and liabilities in a multinational setting. The primary topics to be covered are: 1) the evaluation and management of foreign exchange (FX) risk with some attention also given to speculative FX trading strategies, this requires discussion of the pricing and application of foreign exchange derivatives; and, 2) the valuation of foreign equity securities. Some attention will also be given to the evaluation of FX risk within an investment optimization framework.

Evaluation:

Participation/Trading Game:	10%
Term Paper:	20%
Group Presentation:	20%
Midterm Exam:	25%
Final Exam:	25%