

**NATIONAL TAIWAN UNIVERSITY**  
**Department of International Business**  
**International Financial Investments**

Assistant Professor Jr-Yan Wang

Spring 2009

Room XXX, Building 2, College of Management

Thursday 9:10 ~ 12:10

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02-33664987

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**COURSE DESCRIPTION**

Since the globalization or integration of money and capital markets evolved rapidly in recent years, both investors and firms face broader asset classes today. Meanwhile, they also suffer the exchange rates risk. Although volatile exchange rates may increase risk, they also create opportunities for both investors and firms to profit. In this course, the foreign exchange theory and the foreign exchange market will be introduced first. Moreover, we will discuss the international portfolio theory, the foreign exchange exposure, and various sources of international financing. By understanding the content of this course, we can learn how to increase returns and lower risks for investors through international portfolio diversification and how to lower the cost of capital for firms by sourcing them internationally.

**TEXT AND READINGS**

Required: Multinational Business Finance, by Eiteman, Stonehill, and Moffett, 2007, 11<sup>th</sup> ed.

PowerPoint: <http://www.management.ntu.edu.tw/~jywang/> → Course Information  
→ International Financial Investments (graduated level)

**OFFICE HOUR**

Room 513, Building 2, College of Management  
Monday 15:00 ~ 17:00 or after class or by appointment

**EXAMS AND GRADINGS**

Midterm Examination	45%	Final Examination	45%
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Class Participation      10%

## **COURSE OUTLINE**

1. Global Financial Environment (Chapters 1-3)
  - Introduction
  - The International Monetary System
  - The Balance of Payments
2. Foreign Exchange Theory (Chapters 4-5)
  - International Parity Conditions
  - Foreign Exchange Rate Determination of Forecasting
3. The Foreign Exchange Market and Derivatives (Chapters 6-7)
  - The Foreign Exchange Market
  - Foreign Currency Derivatives
4. Foreign Exchange Exposure (Chapters 8-10)
  - Transaction Exposure
  - Operating Exposure
  - Translation Exposure
5. Financing the Global Firm (Chapters 11-15)
  - Global Cost and Availability of Capital
  - Sourcing Equity Globally
  - Financial Structure and International Debt
  - Interest Rate and Currency Swaps
  - International Portfolio Theory and Diversification