



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM 437 H1S
International Finance
WINTER 2025

Course Meets:	Mondays	L0101	11:00 - 13:00
RT 142	Mondays	L0201	15:00 - 17:00
	Tuesdays	L0301	9:00 - 11:00
	Tuesdays	L0401	13:00 - 15:00
	Wednesdays	L0501	9:00 - 11:00
	Wednesdays	L5101	17:00 - 19:00

Instructor: Wendy Rotenberg, RT 446
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Phone: 416.978.2664
To obtain Help: email questions any time and you will receive prompt assistance!

Course Description

This course will focus on financial management in an international context. We begin with a brief overview of the nature of international business activities and the evolution of multinational enterprises. We then cover international trade, trade finance and the management of multinational fund flows and transactions. The foreign exchange market and international parity relationships are then discussed. This sets the stage for learning about a variety of international financial management topics, including financing the global firm, multinational capital budgeting, and foreign exchange exposure measurement and management.

A combination of lecture, technical problem solving and case analyses will be used. Students are expected to have attempted the required readings and any assigned questions prior to class. If time is limited, be advised that even brief preparation for class is extremely beneficial.

Attendance

Students must attend the lecture sessions in which they are registered.

Learning Outcomes

By the end of this course, students will better understand international business activities and financial management in an international context. Financial management decisions that are the focus of this course include international trade and investments, treasury management, and foreign exchange exposure measurement and management.

Course Prerequisites

Rotman Commerce: RSM333H1, ECO220Y1/ ECO227Y1/ (STA220H1, STA255H1)/ (STA237H1, STA238H1)/ (STA257H1, STA261H1). Actuarial Science: ACT349H1

Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

Course Materials and Required Readings

Lecture notes and slides will be posted on the portal in advance of class. Beginning in class 2, students are responsible for accessing class materials in advance and for having them available to use during class in printed or electronic form.

Textbook - Multinational Business Finance, D.K. Eiteman, A.I. Stonehill and M.H. Moffat, 16th edition (2023), Pearson Education, ISBN -10: 013479601-X

You may purchase a hard copy of the text from Pearson Education directly or on Amazon. Many students find it most convenient to purchase an electronic copy of the text. However you procure your copy of the textbook, be aware that this is copyright material and you are expected to pay for your use of it. The instructor assumes all students have done so.

The link to purchase 12 months of use of an electronic copy of the text directly from the publisher for \$67.99 is as follows:

<https://www.pearson.com/en-ca/subject-catalog/p/multinational-business-finance/P200000007029/9780137669158>

NOTE - Purchase of the current edition is HIGHLY recommended as we use the text materials in detail during the course and there are many changes, large and small, from one edition to the next.

Electronic Course Materials

Case Package - is available for purchase from the Harvard Business School Publishing website. You must go to the site and register as a student and then use the following code to access our readings package. The site records which students have paid for their copies of the course materials. All students are required to purchase access to these copyright materials as we use them extensively in the course.

<https://hbsp.harvard.edu/import/1226429>

These materials cost a total of \$39.60 USD. The use of these materials complies with all University of Toronto policies which govern fees for course materials.

Evaluation and Grades

Grades are a measure of the knowledge and skills developed by a student within individual courses. Each student will receive a grade on the basis of how well they have command of the course materials, skills and learning objectives of the course.

In Class Quizzes	40%	5 @ 8% each	In Class on paper – see detailed class schedule
Final Exam	60%		During Exam Period

In-Class Quizzes Policies and Expectations

In Class Quizzes will be conducted either at the start of class, or later in the class, depending on the week. These will be completed independently by students, on paper, and are submitted to the instructor upon completion in class. There are no make-up opportunities as solutions will be posted promptly. Each student must complete their quizzes in the section in which they are registered. Formats and how to best prepare will be announced in the prior class.

Many topics in the course are cumulative and build up over several weeks. All material covered in the classes preceding each quiz is testable. On each quiz, there will be an emphasis on materials not previously tested. Aids allowed are limited to writing instruments and a hand held calculator. Writing in pen is strongly preferred as it is easier for graders to read and discourages the erasing of work that could assist the grader in evaluating answers. Students may simply cross out anything they wish to change and continue writing.

Missed Quizzes

Students who miss a quiz for reasons entirely beyond their control (e.g. illness) may request special consideration **within 2 business days** of the missed midterm/test/assignment due date.

In such cases, students must:

1. Complete the Request for Special Consideration form: <https://uoft.me/RSMConsideration>
2. Provide documentation to support the request, eg. Absence Declaration from [ACORN](#), medical note etc.

Please note: As of September 2023, students may use the Absence Declaration on ACORN ***one time per term*** to report an absence and request consideration. **Any subsequent absence will require a [Verification of Illness form](#) or other similar relevant documentation.**

Students who do not submit their requests and documentation within 2 days may receive a grade of 0 (zero) on the missed course deliverable.

If accommodations are approved, grades for the missed quiz will be shifted to the final exam.

Final Exam Policies and Expectations

The final exam will be held in person and will be paper based. Two single-sided HANDWRITTEN crib sheets will be permitted. Students may wish to keep note of which items they will want to include on their crib sheets, as the course progresses. It is important to follow instructions carefully regarding aids allowed during examinations as failure to comply with instructions is considered a serious academic offence.

If you miss the final exam in this course for a legitimate reason (illness, etc) you will need to contact your College Registrar to file a petition for a deferred exam. This deferred exam will be written at a later date as established by the Faculty of Arts & Science. Instructions can be found here:

<https://www.artsci.utoronto.ca/current/faculty-registrar/petitions-appeals/preparing-petition>

Drop Date

- The last day to drop the course without academic penalty is **Monday March 10th**.

Grade Appeals

- Appeals must be made one week after the graded work is returned. Students should take the time to carefully review their own work and the feedback they received.
- Appeals must be in writing and must include an explanation of why the original grade should be reassessed.
- Students must notify the instructor by email that they will be requesting a regrade, and must return the graded work, with their written request for regrading, in the following class.

Winter 2025 Class Session Dates and Topics – any changes will be announced in class

1 Jan 6,7,8

Introduction to the Course

Ch 1 Multinational Financial Management: Opportunities and Challenges

Ch 4 Financial Goals and Corporate Governance

Case: Tega Industries: The South African Acquisition

Ch 11 Mini Case: Electrolux

2 Jan 13,14,15

International Trade and Trade Finance

Ch 16 International Trade Finance

Case: Belco Global Foods

3 Jan 20, 21, 22

Introduction to International Treasury Management Issues

Ch 14 Funding the Multinational Firm

Ch 15 Multinational Tax Management

Case: Garry Halper Menswear Limited – a Loan Request for an Export Order

Quiz 1

4 Jan 27,28,29

The Foreign Exchange Market

Ch 5 The Foreign Exchange Market

Case: Molto Delizioso: Pricing and Profits following Brexit

5 Feb 3, 4, 5

International Parity Conditions

Ch 6 International Parity Conditions

Quiz 2

6 Feb 10,11,12	<p>Multinational Capital Budgeting</p> <p>Ch 17 Foreign Direct Investment and Political Risk</p> <p>Ch 18 Multinational Capital Budgeting and Cross-Border Acquisitions</p> <p>Case: 3P Turbo – cross border investment in Brazil</p> <p>Case: Tega Industries: The South African Acquisition</p>
Feb 17,18,19	<p>Reading Week - No Classes</p>
7 Feb 24,25,26	<p>Introduction to Foreign Exchange Exposure Measurement and Management</p> <p>Ch 10 Transaction Exposure Measurement and Management</p> <p>Ch 10B The Optimal Hedge Ratio and Hedge Effectiveness</p> <p>Quiz 3</p>
8 Mar 3, 4, 5	<p>Transaction Exposure Management</p> <p>Ch 10 Transaction Exposure Measurement and Management (cont'd)</p> <p>Ch 7 Foreign Currency Derivatives</p>
9 Mar 10,11,12	<p>Transaction Exposure Measurement and Management</p> <p>Ch 10A Financial Engineering</p> <p>Case: F. Mayer Imports: Hedging Foreign Currency Risk</p> <p>Quiz 4</p>
10 Mar 17, 18 19	<p>Operating Exposure Measurement and Management</p> <p>Ch 12 Operating Exposure Measurement and Management</p> <p>Ch 12 Mini Case: Brexit and Rolls Royce</p> <p>Case: SaskPower U.S. Debt: Hedging Currency Exposure</p>

11 Mar 24, 25, 26

Translation Exposure Measurement and Management cont'd

Ch 11 Translation Exposure Measurement and Management

Ch 11 Mini Case: Electrolux

Quiz 5

12 Mar 31, Apr 1, 2

Course Wrap-up

Case: FX Risk Hedging at EADS

Review Course Coverage

Discuss Final Examination

Other Policies and Procedures

Generative AI / ChatGPT

The knowing use of generative artificial intelligence tools, including ChatGPT and other AI writing and coding assistants, for the completion of, or to support the completion of, an examination, term test, assignment, or any other form of academic assessment, may be considered an academic offense in this course.

Commitment to Accessibility

The University is committed to inclusivity and accessibility, and strives to provide support for, and facilitate the accommodation of, individuals with disabilities so that all may share the same level of access to opportunities and activities offered at the University.

If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please [email Accessibility Services](#) or [visit the Accessibility Services website for more information](#) as soon as possible. Obtaining your accommodation letter may take up to several weeks, so get in touch with them as soon as possible. If you have general questions or concerns about the accessibility of this course, you are encouraged to reach out to your instructor, course coordinator, or Accessibility Services.

Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

The University of Toronto's Code of Behaviour on Academic Matters

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in

the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

Email

At times, the course instructor may decide to communicate important course information by email. As such, all U of T students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up and properly entered on ACORN. For more information visit the [Information Commons Help Desk](#).

Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

Other Useful Links

- [Become a volunteer note taker](#)
- [Accessibility Services Note Taking Support](#)
- [Credit / No-Credit in RSM courses](#)
- [Rotman Commerce Academic Support](#)
- [Where to find teaching assistant opportunities](#)

URL links for print

- ACORN: <http://www.acorn.utoronto.ca/>
- Email Accessibility Services: accessibility.services@utoronto.ca
- Accessibility Services website: <http://studentlife.utoronto.ca/as>
- University's Plagiarism Detection Tool FAQ: <https://uoft.me/pdt-faq>
- The University of Toronto's Code of Behaviour on Academic Matters: <http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>
- Information Commons Help Desk: <http://help.ic.utoronto.ca/category/3/utmail.html>
- Become a volunteer note taker: <https://studentlife.utoronto.ca/program/volunteer-note-taking/>
- Accessibility Services Note Taking Support: <https://studentlife.utoronto.ca/service/note-taking-support/>
- Credit / No-Credit in RSM courses: <https://rotmancommerce.utoronto.ca/current-students/degree-requirements/credit-no-credit-option/>
- Rotman Commerce Academic Support: <https://rotmancommerce.utoronto.ca/current-students/academic-support/>
- Book an appointment with a writing or presentation coach: <http://uoft.me/writingcentres>
- Writing and Presentation Coaching academic support page: <https://rotmancommerce.utoronto.ca/current-students/academic-support/writing-and-presentation-coaching/>
- Centre for Professional Skills Teamwork Resources page: <https://rotmancommerce.utoronto.ca/teamwork-resources>
- Book an appointment with a Teamwork Mentor: <http://uoft.me/writingcentres>