

# THEORY OF INTERNATIONAL FINANCE

Spring, 2008

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## Textbook

**International Monetary and Financial Economics** – Daniels and VanHoose (South-Western, Third Edition).

## Calculator

A scientific or financial calculator is required.

## Course Description

This course discusses the past, present, and future of the exchange-rate systems, the market for foreign exchange, and exchange-rate determination.

## Evaluation

There will be two exams. The final grade will be based on a weighted average of the group project, and exams:

Classroom Participation	10%	25 Points
Group Project	10%	25 Points
Examination I	40%	100 Points
Examination II	40%	100 Points
Total	100%	250 Points

## Classroom Participation

Students are encouraged to ask questions in the class and to provide feedbacks. For some class sessions, students will be given in-class discussion assignments. Participating in discussion will count toward ten percent of your final grade.

## Group Project

Ten percent of the grade for this class is based on a group project. The project will be a short presentation in class on some topic related to international finance. For more detail, please refer to the Group Project handout on the class website.

## Exams

There will be two exams. Each exam will last 1 hour and 30 minutes. Exams must be taken at the designed date/time. Exams will not be cumulative, although concepts

developed in earlier chapters will be employed in later chapters. No make-up exam will be given except for (1) reasons recognized by university guideline or (2) the student notifies the teacher directly and in advance with a verifiable excuse. All exams are closed book and closed note. If the student needs to reschedule the mid-term or the final exam due to a conflict, the student needs to submit writing explanation to the teacher two weeks in advance.

### **Appeal Procedure**

If you believe that additional credit is deserved on your exams, you may submit a written appeal for up to one week after the exam is returned to you. Your appeal should be typed, one page or less, and include explanations regarding which items deserve more credit and why.

### **Policy On Cheating**

Cheating will not be tolerated. Evidence of cheating will result in minimum penalty of a failing grade for the course (請參閱學生手冊).

## **Tentative Schedule**

This outline is tentative and preliminary. There could be deviation from the schedule. However, exam dates are unlikely to be changed.

<u><b>Week</b></u>	<u><b>Date</b></u>	<u><b>Chapter</b></u>	<u><b>Topic/Task</b></u>
1	2/22	1	Introduction
2	2/29	1	Introduction
3	3/7	3	Exchange-rate systems, past to present
4	3/14	3	Exchange-rate systems, past to present
5	3/21	3	Exchange-rate systems, past to present
6	3/28	2	The market for foreign exchange
7	4/4		<b><u>Spring Break, NO CLASS</u></b>
8	4/11	2	The market for foreign exchange
9	4/18		Review and Project Presentation
<b>10</b>	<b>4/25</b>		<b>Exam I</b>
11	5/2	2	The market for foreign exchange
12	5/9	4	The forward currency market
13	5/16	4	The forward currency market
14	5/23	4	The forward currency market
15	5/30	7	The international financial architecture
16	6/6	7	The international financial architecture
<b>17</b>	<b>6/13</b>		Review and Project Presentation
<b>18</b>	<b>6/20</b>		<b>Exam II</b>