



FIN 4325 - International Finance Fall 2025

Tuesday & Thursday, 1:30PM-2:50PM
Room: BUSN 329

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Office: BUSN 257
Office Hours: Tuesday 2:50PM-4PM; Wednesday 10:30AM-12PM; Or by appointment
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COURSE DESCRIPTION

This course aims at acquainting students with international aspects of corporate finance. The ultimate objective of the course is to develop your ability to understand and analyze major problems of financial management in an international context. Specifically, we will examine, throughout this course, how the business of the multinational corporation (MNC) -compared to that of a purely domestic firm- is affected by the changes in the international financial environment and by the presence of new variables, in particular the exchange rate risk and the political risk. Therefore, the first part of the course will provide an overview of the multinational corporation and the international environment in which it operates and describe the functioning of the international financial markets with emphasis on the foreign exchange market. We will also thoroughly examine the theories underlying exchange rate determination, as well as exchange rate risk and political risk measurement and management. Finally, we will analyze how exchange rate risk and country risk affect corporate decisions (investing and financing decisions).

STUDENT LEARNING OUTCOMES

After completing this course, you will be able to:

- Understand the international environment in which the MNC operates;
- Understand the structure and functioning of international financial markets, including the foreign exchange market;
- Understand exchange rate quotations, explain how exchange rate movements are measured, explain how exchange rates are determined, and describe the factors that cause exchange rate movements;

- Conduct international arbitrage in foreign exchange and international money markets;
- Describe and evaluate the common techniques used for exchange rate forecasting;
- Determine the various types of foreign exchange exposure, and apply different techniques to hedge exchange rate risk;
- Evaluate the benefits of international diversification;
- Implement capital budgeting decisions, and analyze the factors that affect multinational capital budgeting;
- Explain the factors (firm- and country-level) that affect an MNC's cost of capital and capital structure decisions;
- Understand an MNC's short-term financing decisions, including the use of foreign financing.

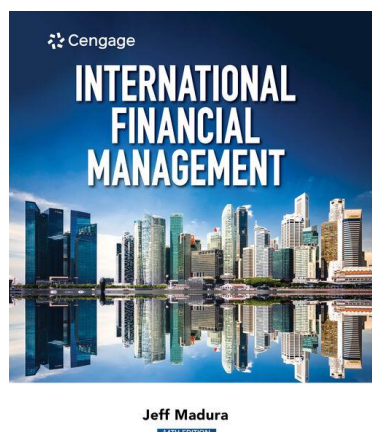
PREREQUISITES

FIN 3310 with "C" or better; or ECON 3320 with "C" or better; or Departmental approval.

COURSE TEXTBOOK AND REFERENCES

Required Text: MADURA, Jeff, *International Financial Management*, 14th Edition, CENGAGE (ISBN: 9780357708538).

Financial Calculator is required (Recommended model: Texas Instruments BA II Plus).



Supplementary Resources:

Students are also encouraged to frequently consult other sources such as *The Economist*, *Financial Times*, and *the Wall Street Journal*. Other material will be posted regularly on the course website. A financial calculator is required (you will need one for Exam 3 materials).

METHOD OF INSTRUCTION

The course essentially consists of lectures, problem solving, and discussions. After finishing each chapter, you will be assigned selected problems, which will test and enhance your understanding of the theoretical concepts that we cover in class. Some of these problems will be done as part of the lecture. Several practice problems are also scheduled to help you prepare for the exams.

I will use Blackboard to post important announcements and upload course materials. **I expect you to check Blackboard daily.** Make sure you receive Blackboard announcement emails in your inbox.

COURSE REQUIREMENTS

Although there is no attendance point for this class, students are strongly encouraged to attend each class regularly and punctually, and actively participate in class activities. Much of the in-class activities involve practice problems and hence require your presence. Attendance in the course is determined by participation in the learning activities of the course. Your participation in the course is important not only for your learning and success but also to create a community of learners. **Excessive tardiness and absence will significantly lower your participation grade.** Students who expect potential excessive absences due to participation in University-sponsored events are requested to meet with me early in the semester.

To ensure an adequate learning environment, please make sure that your cell phone is OFF during the class. **Laptop use should be restricted to activities related to this class.** More generally, all students are expected to be punctual, attentive to the lectures and class discussions, and respectful toward their colleagues and the instructor. Students violating the requirements will be asked to leave class.

My main form of communication with the students will be through class announcements and emails, so **make sure you update your email address with the school and check your email regularly.**

Moreover, to be efficiently involved in these activities and to maximize your learning from the course, **it is necessary that you read the assigned chapters before each class. Students are expected to spend a minimum of two hours outside of class studying for each hour of classroom time.** Please make sure to keep up with assigned readings, complete assignments on time, and contribute fully to class discussions. Failure to do so will affect your participation grade.

Important note on missing exams: Note that there are **NO makeups** for missed quizzes and exams unless you have a legitimate justification supported by documentation. In all cases, advance notification and arrangements are required. Missing a quiz or an exam without a legitimate justification will result in a grade of zero with no possibility to cumulate the grade for the final. If you have any questions about the course requirements, do not hesitate to ask questions in class or to contact me!

COURSE GRADING

The grading of the course is as follows:

Participation	10%	Exam 1	20%
Practice Problems	20%	Exam 2	20%
Quizzes	10%	Exam 3	20%
Total			100%

Participation: Class participation takes into account answers to my questions, active participation in class discussions, and consistent punctual attendance.

Practice Problems: There will be three assignments of practice problems, each consisting of a set of problems and data analysis. Every student is expected to submit individual work by **September 16, 2025** for Problem Set 1, **October 28, 2025** for Problem Set 2, and **December 2, 2025** for Problem Set 3. Additional instructions on the practice problem assignments will be provided in class and posted on Blackboard.

Quizzes: There will be three short quizzes given throughout the semester (50 min each, only multiple choice questions). However, only the best two out of the three will be considered in your final grade. The purpose of the quizzes is to assess how well you understand the material covered in class; they are also a useful way to keep you prepared for your exams. Further details regarding the quizzes will be discussed in class.

Exams: There will be three major exams scheduled throughout the semester. Exam 1 on **September 18, 2025**, Exam 2 on **October 30, 2025**, and Exam 3 on **December 11, 2025** will all be held **in-person**. Students are required to be present at the classroom at designated times to take the exams. All exams will be closed book and notes. The exams consist of multiple choices questions. There are **NO makeups** for missed exams unless you have a legitimate justification supported by documentation.

Grading Scheme

A	90-100
B	80-89
C	70-79
D	60-69
F	0-59

SCHOLASTIC INTEGRITY POLICY

Academic dishonesty is prohibited and is considered a violation of the UTEP Handbook of Operating Procedures. It includes, but is not limited to, cheating, plagiarism, and collusion. Cheating may involve copying from or providing information to another student, possessing unauthorized materials during a test, or falsifying research data on laboratory reports. Plagiarism occurs when someone intentionally or knowingly represents the words or ideas of another as ones' own. Collusion involves collaborating with another person to commit any academically dishonest act. Any act of academic dishonesty attempted by a UTEP student is unacceptable and will not be tolerated. All suspected violations of academic integrity at The University of Texas at El Paso must be reported to the Office of Student Conduct and Conflict Resolution (OSCCR) for possible disciplinary action.

More information regarding UTEP policies related to academic integrity is available on HOOP: Student Conduct and Discipline.

COPYRIGHT FOR COURSE MATERIAL

All materials used in this course are protected by copyright law. The course materials are only for the use of students currently enrolled in this course and only for the purpose of this course. They may not be further disseminated.

WITHDRAWAL POLICY

A student may officially withdraw from this class with an automatic W at any time BEFORE October 31, 2025. No withdrawals will be allowed after this date. THIS IS UNIVERSITY POLICY. Automatic withdrawals will NOT be made by the instructor. To be withdrawn from the class, students must take the appropriate actions on or before the university deadlines.

ACCOMODATIONS POLICY

Any student requesting an accommodation based on a disability must register with the UTEP Center for Accommodations and Support Services (CASS). Contact the Center for Accommodations and Support Services at 915-747-5148, or email them at cass@utep.edu, or apply for accommodations online via the CASS portal. If you need to discuss accommodations that are already in place, please talk to me within the **first two weeks of the semester**. I will do my best to provide a positive and accessible learning environment for everyone in this class.

TENTATIVE COURSE SCHEDULE AND ASSIGNMENTS

Course outline is subject to change during the semester depending on the progress of the class. Some topics will be covered more in-depth than others. Please make sure to check the *Announcements* section on Blackboard before every class for any updates to the course schedule.

Week	Date	Subject	
1	8/26	Course Introduction	
	8/28	Multinational Financial Management: An Overview (Ch.1) International Flow of Funds (Ch.2)	
2	9/2	(Ch.2) & International Financial Markets (Ch. 3)	Practice Problems 1 handout (due 9/16, 10:30am)
	9/4	Exchange Rate Determination (Ch. 4)	
3	9/9	Quiz 1 (Ch.1,2,3)	
	9/11	Government Influence on Exchange Rates (Ch. 6)	
4	9/16	Review - Online Class on Zoom	
	9/18	Exam 1	
5	9/23	Conclude Course Part 1 & Introduce Part 2	
	9/25	International Parity Conditions I (Ch. 7,8)	
6	9/30	International Parity Conditions II (Ch. 7,8)	
	10/2	International Parity Conditions III (Ch. 7,8)	
7	10/7	Applications: Exchange Rate Determination and Parity Conditions	
	10/9	Measuring Exposure to Exchange Rate Fluctuations (Ch.10)	Practice Problems 2 handout (due 10/28, 10:30am)
8	10/14	Quiz 2 (Ch.7,8)	
	10/16	Transaction, Economic & Translation Exposure I (Ch.11,12)	
9	10/21	Transaction, Economic & Translation Exposure II (Ch.11,12)	
	10/23	Transaction, Economic & Translation Exposure III (Ch.11,12)	
10	10/28	Review - Online Class on Zoom	
	10/30	Exam 2	
11	11/4	Conclude Course Part 2 & Introduce Part 3	
	11/6	Direct Foreign Investment (Ch.13)	
12	11/11	Multinational Capital Budgeting (Ch.14)	
	11/13	Applications: Multinational Capital Budgeting	
13	11/18	Quiz 3 (Ch.13,14)	Practice Problems 3 handout (due 12/2, 10:30am)
	11/20	Multinational Capital Structure & Cost of Capital (Ch.17)	
14	11/25	Long-term Financing (Ch.18)	
	11/27	Thanksgiving Holiday - No class	
15	12/2	Wrap-up and Review - Online Class on Zoom	
	12/4	No class - at home study	
Finals Week	12/11	Exam 3 (1pm - 2:30pm, Thursday)	