

Spring 2016 Course Syllabus

Course Number: BA 344
Course Title: International Securities and Foreign Exchange
Credit: 3 units (45 hours of lecture)
Days and Time: Mon 12:30am to 3:15pm
Office Hours: Mon 11:45am to 12:30pm or By appointment
Instructor: Prof. Albert Loh

Course Materials

Textbook: Global Investment, by Bruno Solnick & Dennis McLeavey, 6th edition (January 2008). ISBN-10: 0321527704; ISBN-13: 978-0321527707.

Tools: A basic handheld calculator is required. Other mobile device calculator will not be allowed. Supplemental materials (such as periodical, article, or case study) will be provided in class.

Course Description

The course includes an overview of the foreign exchange (forex) market, foreign securities, international equities markets, international debt securities, futures and options. The course describes the fundamental principles and operations on these markets. Credit: 3 units (45 hours of lecture).

Prerequisite: BA 140 or BA 303

Learning Objectives

This course provides a theoretical foundation covering the international capital and currency markets. It is designed for students aspiring to be money managers and investors operating across national boundaries. Topics include pricing in the foreign currency markets, use of derivative markets (options, futures, forward contracts, and currency swaps) to hedge against foreign exchange risks, the case for international asset diversification, international asset pricing, international equity and fixed-income securities, and the process of international investing.

Instructional Methodology

The course will be conducted in the form of lectures and discussions on each topic shown in the class schedule below.

Course Requirements and Evaluation

While in class, students are expected to conduct themselves in a professional manner. Professionalism includes regular attendance, participation in class discussions, civil conduct, and ethical behavior, etc. If a student is observed coming to class late often, being disrespectful to peers, texting or using mobile devices, or carrying on personal conversations during lecture, the professionalism portion of the grade will be reduced based on a demerit system. The course begins with each student having the full 50 points. Tardiness without valid reasons greater than 1 time will result in 5 points deduction. Behavioral offenses such as texting, using of mobile devices, or engaging in disorderly conduct in spite of reminder or warning will result in 10 points deduction.

Higher education is about learning how to learn. So in acquiring new knowledge, always pay attention to the learning objectives of each chapter or topic. In addition, you will enhance your understanding by solving the chapter problems to be assigned in class. Of course, you are welcome to bring questions to class for discussion by reading ahead of each classroom lecture. Achievement is assured when done repetitively.

Your performance in this course will be evaluated under the following model:

| | |
|----------------------------|---------------|
| Mid-Exam 150 points | A = 361 – 400 |
| Final Exam 200 points | B = 301 - 360 |
| Professionalism: 50 points | C = 241 - 300 |
| Total 400 points | D = 201 - 240 |
| | F = < 200 |

The exam will consist true-false, multiple-choice, and problem-type questions that test both theoretical concepts and knowledge application. There will be no "extra credit" work during or after the semester. There will be no "extra credit" work during or after the semester.

The key to success in this course is communication and interaction. Thus, we will have to work as a team. First, we will create a positive learning environment where everyone can participate without fear. Second, relevant reading and problem assignments will be presented and discussed in class. When in doubt, ask.

Scholastic Dishonesty

Scholastic dishonesty will not be tolerated. Students who violate rules of academic dishonesty are subject to disciplinary penalties, including failure in the course and/or other actions from the University.

Tentative Class Schedule

| Date | Topics |
|---------------|--|
| Jan 25 | Course Introduction and Chapter 1: Currency Exchange Rates |
| Feb 1 | Chapter 2: Foreign Exchange Parity Relations |
| Feb 8 | Chapter 3: Foreign Exchange Determination and Forecasting |
| Feb 22 | Chapters 4: International Asset Pricing |
| Feb 29 | Chapter 5: Equity: Markets & Instruments |
| Mar 7 | Chapter 6: Equity: Concepts & Techniques |
| Mar 14 | 2-hour Mid-term Exam (Closed Books) |
| Mar 21 | Exam review & Chapter 7: Global Bond Investing |
| <i>Mar 28</i> | <i>Special topics</i> |
| Apr 4 | Chapter 9: The Case for International Diversification |
| Apr 11 | Chapter 10: Derivatives Markets |
| Apr 18 | Chapter 11: Currency Risk Management |
| Apr 25 | Chapter 12: Global Performance Appraisal |
| May 2 | Chapter 13: Structuring the Global Investment Process |
| May 9 | 2-hour Comprehensive Exam (Closed Books) |

Addendum: Supplemental Course Materials

The PowerPoint slides are designed to give students a head start in learning course materials in a concise and coherent fashion. They are not intended to substitute, but complement, the textbook and classroom lectures. Don't just read; you need to absorb and understand the body of knowledge through a synthesis of critical thinking and problem solving skills. Thus attending classroom lectures and completing exercises and assignments are critical to your success.

Syllabus reviewed: Jan 10, 2016