

International Finance Syllabus

Business Finance 7250

Summer 2026

Gerlack 315

Instructor:

Dr. K. Doroodian

Email: doroodian.3@osu.edu

Office: 301A Fisher Hall

Office hours: by appointment via Zoom or in-person



Professor Doroodian was born in 1952 and received his bachelor's degree in 1975 and his master's degree in 1977 from Shiraz University. He earned his Ph.D. in Economics from the University of Oregon in 1981. All three degrees are in Economics, with a specialization in International Trade and Finance.

After completing his Ph.D., he taught economic courses at [Portland State University](#) as an adjunct Professor for one year. He then joined the Department of Economics at Ohio University in 1982, where he served until December 2022. During his tenure at Ohio University, he taught a wide range of undergraduate and graduate courses, including international economics and financial markets, international finance, mathematical economics, macroeconomics and business fluctuations, and managerial economics, among others. He was nominated twice for the Presidential Teaching Award.

At Ohio University, Professor Doroodian designed and launched the Master of Financial Economics (MFE) program, a CFA-based curriculum, in June 2000. From 1991 to 2020, he served as the Graduate Director of the M.A. in Economics program, and from 2000 to 2021, he served as the Graduate Director of the MFE program. He has published numerous scholarly articles in professional journals and delivered presentations at various academic conferences.

Course Description

This course examines how multinational corporations (MNCs) operate in an increasingly complex global financial environment to maximize firm value. Financial managers must assess international economic conditions, identify and evaluate cross-border opportunities, and implement strategies related to financing, investment, and risk management. Particular emphasis is placed on exchange rate dynamics, exposure to currency risk (transaction, economic, and translation), and the financial techniques used to manage these risks effectively.

Class Meeting Schedule

6:15 – 9:45 Wednesday, Gerlach 315.

Learning Objectives

Week 1: International Financial Environment & FX Markets (Ch 2 & 3)

By the end of this module, students should be able to:

- Understand the balance of payments (BOP) and its key components
- Explain how trade flows and capital flows interact
- Analyze how BOP components influence exchange rates
- Explain the structure and functions of international financial markets
- Distinguish between FX, money, bond, and stock markets
- Apply bid–ask spreads, direct/indirect quotes, and cross exchange rates

Week 2: Exchange Rate Determination & Currency Derivatives (Ch 4 & 5)

- Analyze how exchange rates are determined by:
 - Trade flows
 - Capital flows
 - Expectations
- Distinguish between short-run and long-run drivers of exchange rates
- Explain the use of forwards, futures, and options in managing FX risk
- Apply option concepts (ITM, ATM, OTM and exercise decisions)
- Evaluate trade-offs between certainty (forwards) and flexibility (options)

Week 3: Government Influence & Arbitrage (Ch 6 & 7)

By the end of this module, students should be able to:

- Compare exchange rate systems (fixed, floating, managed float)
- Evaluate the impact of government intervention (direct vs indirect)
- Distinguish between sterilized and non-sterilized intervention
- Identify and analyze arbitrage opportunities:
 - Locational
 - Triangular
 - Covered interest arbitrage (CIA)
- Explain how arbitrage enforces market efficiency

Week 4: Parity Conditions & Transaction Exposure (Ch 8 & 10)

By the end of this module, students should be able to:

- Explain and apply:
 - Purchasing Power Parity (PPP)
 - International Fisher Effect (IFE)
- Distinguish between short-run vs long-run exchange rate relationships
- Evaluate limitations of PPP and IFE (direction vs level)
- Measure transaction exposure
- Assess the impact of exchange rate changes on firm cash flows
- Apply basic hedging strategies for transaction exposure

Week 5: Exposure Management & Hedging Strategies (Ch 11 & 12)

By the end of this module, students should be able to:

- Evaluate hedging techniques using:
 - Forwards
 - Money market hedge
 - Options
- Compare financial vs operational hedging strategies
- Analyze economic (operating) exposure and its long-run impact
- Assess how firms adjust operations to manage FX risk
- Evaluate trade-offs between cost, risk reduction, and flexibility

Textbook

- Jeff Madura and Chad Zipfel, "International Financial Management", 15th ed., 2025, Cengage Learning.
ISBN 9798214040745

Copyright 2026

Author Madura/Zipfel

\$58 through CarmenBooks. The CarmenBooks program offers digital copies of selected textbooks and access to publisher homework systems at significantly reduced pricing.

With CarmenBooks, students can:

- Save up to 80% off retail price for course materials
- Access publisher homework systems at a significant discount
- Access digital course materials directly through Carmen
- Retain access to digital course materials while students at Ohio State
- Unless you choose to opt-out of the program, you do NOT need to purchase any materials for this course at the bookstore. However, if you opt out, you will then need to purchase access to MindTap through another avenue.

- For more information on the CarmenBooks program, please go to the CarmenBooks site: <https://affordablelearning.osu.edu/carmenbooks/students>
- You will register and access MindTap and eBook from the MindTap link/s in your professor's Carmen course. Please review the MindTap Registration instructions located in your Carmen course. You can also download the free Cengage mobile app to access the eBook from a mobile device.
- Recommended – Wall Street Journal (WSJ) or Bloomberg. As a finance major student, you are recommended to read the WSJ or Bloomberg to get the latest financial news. For digital access WSJ is charging \$4 a month or \$24 a year as long as you are a student. Bloomberg charges \$0.99/for three months and \$34.99 thereafter.
- For the WSJ, please click [The Wall Street Journal \(wsj.com\)](http://www.wsj.com)
- For Bloomberg, please click [Bloomberg News](http://www.bloomberg.com).

How this Course Works

Mode of delivery: This course is 100% in person. Students are expected to attend all class sessions on time and come prepared to participate actively in class discussions. Discussion questions will be posted regularly during class, and students are expected to engage and share their thoughts.

Course Structure:

Prepare → Learn → Apply → Decide → Reflect

Course Structure and Learning Approach

- This course balances **broad exposure** to international financial management with **applied decision-making**
- You will be introduced to a wide range of topics, while developing deeper understanding of a **select set of priority concepts** that are critical for managerial decisions.

1. Pre-Class Preparation (15–20 minutes per week)

- Each week, a short **Pre-Class Briefing** will be posted on Carmen. It includes:
 - Key concepts and definitions
 - Short slides highlighting the main ideas
 - Three guiding questions to focus your thinking
 - 📌 The goal is **familiarity, not mastery**, so class time can be used for application and analysis.

2. In-Class Learning Format (3 hours)

Each session is structured to maximize engagement and practical learning.

A. Core Content: Two Chapters per Session

- Each session covers two chapters from *International Financial Management* (Madura/Zipfel)
-

B. In-Class Discussion Question (Conceptual + Critical Thinking)

- 3-5 questions per chapter
 - Focus on understanding the “**why**” and “**so what**”
- 👉 Goal: Develop intuition and challenge assumptions.
-

C. In-Class Technical Application Questions

- 3-5 questions per chapter
 - Focus on building **technical skills and confidence**
 - Examples include:
 - Identifying the appropriate market (money vs. bond)
 - Evaluating capital flows
 - Applying parity conditions (PPP, IRP)
 - Measuring exposure
 - Designing hedging strategies
- 👉 Goal: Learn **how to do it**
-

D. Mini-Simulations (Applied Decision Exercises) - Completed

- Several mini-simulations completed outside of class
- Short, team-based decision scenarios
- You will analyze a real-world situation and make a recommendation under uncertainty
- Selected groups will share their insights with class

Followed by a brief class discussion of **decisions, assumptions, and risks**

👉 Goal: Learn **how to decide**

E. End-of-Class Reflection Questions

- At the end of each session:
- Not a formal quiz, but a short reflection exercise

👉 Purpose:

- Reinforce key ideas
 - Provide feedback on your understanding
-

F. Blades, Inc, Case (Three)

- **Three group case studies** completed outside of class
 - Each follows a continuous narrative where your team acts as a financial advisor to an MNC
 - At the beginning of selected sessions:
 - 1–2 groups present brief recommendations to the CFO
 - Focus is on **high-level insights**, not full presentations
-

◆ Summary

- 📌 **Prepare → Learn → Apply → Decide → Reflect**
 - This structure ensures that you:
 - Understand key concepts
 - Practice technical skills
 - Apply knowledge in realistic settings
 - Develop decision-making ability under uncertainty
-

3. Short Quizzes

- A short quiz will be administered every two weeks
 - Each quiz will take about 5–7 minutes
-

4. Group Presentation (Capstone Project)

Each group will analyze a U.S.-based multinational corporation and evaluate how it manages:

- Transaction exposure
- Translation exposure
- Economic exposure
- Hedging strategies

Presentation Format

- Selected groups will present in class during the final session
- Due to time constraints, not all groups will present live
- All groups must submit their presentation slides with speaker notes via Carmen

For groups not presenting in class:

- 📌 This project serves as the capstone application of course concepts.

Required Financial Calculator:

The preferred calculator is **TI BA II Plus**. Available at the OU Bookstore as well as Target, Walmart and Amazon.

Suggested Readings (Optional)

Wall Street Journal: www.wsj.com

Financial Times: <http://www.ft.com/home/us>

Bloomberg: www.bloomberg.com

Yahoo! Finance: <http://finance.yahoo.com/>

Teaching Methodology

- The philosophy is to teach less and learn more.
The course emphasizes clarity, prioritization, and application rather than memorizing every detail.
- Weekly Focus Signal.
At the start of each class, I will explicitly state:
“This week, the focus is on...”

This helps you allocate your attention and study time effectively.

- Interactive and Applied.
Learning happens through discussion, problem solving, and real-world decision scenarios—not passive listening
- Breadth with Selective Depth.
You will gain a broad understanding of international financial management while mastering a few high-impact tools each week.

Official Communication Channels for this Course

All official course communications will be conducted exclusively through Carmen using the following two channels:

1. **Carmen Email**
2. **Carmen Announcements**

It is your responsibility to **check both regularly**. Failure to read course communications is **not an acceptable excuse** for missing deadlines, assignments, or announcements.

Attendance and Participation Requirements

Students are expected to attend class regularly. We will work through many in-class problems that require active participation, and failure to participate will adversely affect the final course grade. Regular attendance accounts for **5%** of the total course grade.

Course Technology

For help with your password, university email, Carmen, or any other technology issues, questions, or requests, contact the Ohio State IT Service Desk. Standard support hours are available at ocio.osu.edu/help/hours, and support for urgent issues is available 24/7.

- **Self-Service and Chat support:** ocio.osu.edu/help
- **Phone:** 614-688-4357(HELP)
- **Email:** servicedesk@osu.edu
- **TDD:** 614-688-8743

Required software

Microsoft Office 365: All Ohio State students are now eligible for free Microsoft Office 365 ProPlus through Microsoft's Student Advantage program. Full instructions for downloading and installation can be found at go.osu.edu/office365help.

Carmen access

You will need to use [BuckeyePass](#) multi-factor authentication to access your courses in Carmen. To ensure that you are able to connect to Carmen at all times, it is recommended that you take the following steps:

- Register multiple devices in case something happens to your primary device. Visit the [BuckeyePass - Adding a Device](#) help article for step-by-step instructions.

- Request passcodes to keep as a backup authentication option. When you see the Duo login screen on your computer, click **Enter a Passcode** and then click the **Text me new codes** button that appears. This will text you ten passcodes good for 365 days that can each be used once.
- Download the [Duo Mobile application](#) to all of your registered devices for the ability to generate one-time codes in the event that you lose cell, data, or Wi-Fi service.

If none of these options will meet the needs of your situation, you can contact the IT Service Desk at 614-688-4357 (HELP) and IT support staff will work out a solution with you.

Grading and Evaluation

The use of AI to complete a graded assignment is strictly prohibited. Violations will result in referring the individual to the Committee on Academic Misconduct (COAM).

Assignment Name	Weight	Assignment Type
Pre-Class Preparation	5%	Individual
Attendance	5%	Individual
In-class Discussion	20%	Individual/Group
Quizzes	10%	Individual
Mini Simulation Problems	16%	Group
Blade Cases (Three)	24%	Group
Final Presentation/Project	20%	Group
Total	100%	

Grading Scale

93–100: A
 90–92.9: A-
 87–89.9: B+
 83–86.9: B
 80–82.9: B-
 77–79.9: C+
 73–76.9: C
 70–72.9: C-
 67–69.9: D+
 60–66.9: D
 Below 60: E

Grades are final and non-negotiable. Please do not ask for grade adjustments. Extra credit is not offered.

Academic Integrity

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's *Code of Student Conduct*, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the university's *Code of Student Conduct* and this syllabus may constitute "academic misconduct." The Ohio State University's *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, submitting the same or similar work for credit in more than one class, and possession of unauthorized materials during an examination. Ignorance of the University's *Code of Student Conduct* is never considered an "excuse" for academic misconduct, so I recommend that you review the *Code of Student Conduct* and, specifically, the sections dealing with academic misconduct. If a student is suspected of or reported to have committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to COAM. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Disability Services

The university strives to maintain a healthy and accessible environment to support student learning in and out of the classroom. If you anticipate or experience academic barriers based on your disability (including mental health, chronic,-or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion.

Those tested positive for COVID-19 should refer to the [Safe and Healthy Buckeyes site](#) for resources. Beyond five days of the required COVID-19 isolation period, I may rely on Student Life Disability Services to establish further reasonable accommodations. You can connect them at slds@osu.edu; 614-292-3307; or slds.osu.edu.

Course Outline

Week 1 (5/13)	Chapter 2: International Flow of Funds Chapter 3: International Financial Markets
Week 2 (5/20)	Chapter 4: Exchange Rate Determination Chapter 5: Currency Derivatives
Week 3 (5/27)	Chapter 6: Government Influence on Exchange Rates Chapter 7: International Arbitrage and Interest Rate Parity
Week 4 (6/3)	Chapter 8: Relationships Among Inflation, Interest Rates and Exchange Rates Chapter 10: Measuring Exposure to Exchange Rate Fluctuations
Week 5 (6/10)	Chapter 11: Managing Transaction Exposure Chapter 12: Managing Economic Exposure and Translation Exposure
Week 6 (6/17)	Group Presentations/Projects

Religious Accommodations

Ohio State has had a longstanding practice of making reasonable academic accommodations for students' religious beliefs and practices in accordance with applicable law. Students must be in early communication with their instructors regarding any known accommodation requests for religious beliefs and practices, providing notice of specific dates for which they request alternative accommodations within 14 days after the first instructional day of the course. Examples of religious accommodations can include, but are not limited to, rescheduling an exam, allowing make-up assignments to substitute for missed class work, or flexibility in due dates.

Use of Artificial Intelligence

Unless we specifically mention otherwise (and in writing), the use of any AI-generated content in any deliverables in this course will be considered academic misconduct and will be acted on as such. Writing assignments will be turned in online and I will be using Turnitin and other applications that have AI detection algorithms. You must complete all assignments using your own thinking, which will lead to deeper and more meaningful learning.

Student Health and Well Being

The university strives to maintain a healthy and accessible environment to support student learning in and out of the classroom. If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion.

Students with Disabilities

The Office of Disability Services verifies students with specific disabilities and develops strategies to meet the needs of those students. Students requiring accommodations based on identified disabilities should contact me at the beginning of the semester to discuss his or her individual needs. All students with a specific disability are encouraged to contact the Office of Disability Services to explore the potential accommodations available to them.

Mental Health Services

As a student, you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. Further, the Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If you or someone you know are suffering from any of the aforementioned conditions, you can learn more about the broad range of confidential mental health services available on campus via the Office of Student Life's Counseling and Consultation Service (CCS) by visiting ccs.osu.edu or calling 614- 292--5766. CCS is located on the 4th Floor of the Younkin Success Center and 10th Floor of Lincoln Tower. You can reach an on call counselor when CCS is closed at 614--292--5766 and 24-hour emergency help is also available through the 24/7 National Suicide Prevention Hotline at 1-- 800--273-TALK or at suicidepreventionlifeline.org. Fisher College has a collaborative program with Counseling and Consultation Services (CCS) to help you be your best self, academically, physically and emotionally. Specifically, Mary DeCenzo (decenzo.4@osu.edu) is available to schedule student counseling sessions Monday through Friday from 8:00 am to 5:00 pm (by appointment only)

Sexual Misconduct/Relationship Violence

Title IX makes it clear that violence and harassment based on sex and gender are Civil Rights offenses subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories (e.g. race), If you are someone you know has been sexually harassed or assaulted, you may find the appropriate resources at <http://titleix.osu.edu>

Diversity Values

The Ohio State University affirms the importance and value of diversity in the student body. Our programs and curricula reflect our multicultural society and global economy and seek to provide opportunities for students to learn more about persons who are different from them. We are committed to maintaining a community that recognizes and values the inherent worth and dignity of every person; fosters sensitivity, understanding, and mutual respect among each member of our community; and encourages each individual to strive to reach his or her own potential. Discrimination against any individual based upon protected status, which is defined as age, color, disability, gender identity or expression, national origin, race, religion, sex, sexual orientation, or veteran status, is prohibited.