

## Business Finance 4255 Fall 2025

4255 TTH 5:30 – 6:60pm  
Schoenbaum Hall 205

## International Finance



### **Instructor:**

Dr. K. Doroodian

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Office: 301A Fisher Hall



Born in 1952, Professor Doroodian received his **bachelor's degree in 1975** and **master's degree in 1977** from **Shiraz University**, located in central Iran. 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 doctorate, he taught economics courses at **Portland State University** as an **adjunct professor** for one year. In 1982, he joined the **Department of Economics at Ohio University**, where he served until **December 2022**. During his tenure, 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 twice nominated for the **Presidential Teaching Award**.

At Ohio University, Professor Doroodian was the **architect of the Master of Financial Economics (MFE) program**, a CFA-based curriculum launched in **June 2000**. He served as **Graduate Director of the M.A. in Economics** from **1990 to 2020**, and as **Graduate Director of the MFE program** from **2000 to 2021**.

He has published numerous scholarly articles in professional journals and has delivered presentations at a wide range of academic and professional conferences.

## **Course Description**

This course provides the foundation of international finance for multinational corporations (MNCs) and how they can capitalize on international opportunities to maximize the value of the firm. The financial managers must be able to evaluate the international environment, recognize opportunities, implement strategies, assess exposure to risk, and manage that risk. The MNCs

most capable of responding to changes in the international financial environment will be rewarded with higher profits.

## Learning Objectives

This course is divided in four modules.

### Module 1 – Balance of Payments and Exchange Rate Behavior

At the end of this module, you should be able to:

- Explain how MNCs can use forward contracts, currency futures, and options markets to hedge against foreign exchange risk.
- Understand how banks with exposure to international markets can use currency arbitrage to profit from discrepancies in exchange rates.
- Describe how banks with international exposure can benefit from interest rate differentials across markets.
- Explain the significance of interest rate parity and exchange rate parity.
- Explain how inflation differentials between two countries can affect their exchange rates.
- Describe how interest rate differentials between two countries can influence forward exchange rate movements

### Module 2 – Exchange Rate Risk Management

This module builds on the knowledge learned in module 1. At the end of this module, you should be able to:

- Explain the importance of exchange rate forecasts for MNCs and describe various forecasting techniques.
- Assess the forecasting performance of exchange rates.
- Discuss how to measure exposure to exchange rate risk.
- Distinguish between transaction exposure, economic exposure, and translation exposure.
- Identify different methods MNCs can use to manage transaction, economic, and translation exposure.

### Module 3 – Long-Term Asset and Liability Risk Management

While still building on previous two modules, at the end of this module, you should be able to:

- Explain the motives for direct foreign investment.
- Identify the benefits of foreign investment.
- Understand the impact of host government policies on direct foreign investment.
- Compare the capital budgeting analysis of an MNC's subsidiary versus its parent.

- Demonstrate how multinational capital budgeting can determine the viability of international projects.
- Explain how to assess the risk of international projects.
- Describe the key components of an MNC's capital structure.
- Identify the factors that affect an MNC's capital structure.
- Explain how to estimate the cost of capital.
- Explain why the cost of capital varies across countries.
- Discuss the costs and benefits of long-term debt financing in local vs. foreign currencies.
- Identify how foreign subsidiaries make debt denomination decisions.
- Discuss strategies to hedge foreign currency financing.
- Understand debt maturity decisions.
- Understand transfer pricing strategies between parent and subsidiary companies

## **Module 4 – Short-Term Financing and Cash Management**

At the end of this module, you should be able to:

- Identify the criteria MNCs should use to decide whether to use internal or external sources to finance short-term investment needs.
- Explain capital management from both subsidiary and parent perspectives.
- Describe how centralized cash management can enhance efficiency.
- Explain various techniques used to optimize global cash flows.

## **Module 5 – Current Event**

### **1. The US Tariff War and Its Impacts**

At the end of this module, you should be able to

- Explain who bears the burden of an import tariff
- Understand the effect of tariffs on the global supply chain
- Discuss the effect of an import tariff on exchange rates
- Explain the effect of tariff on trade balance of the balance of payments
- Explain the effect of tariff on CapEx.

### **2. The US Dollar as a Reserve Currency and Challenges it Faces**

At the end of this module, you should be able to:

- Explain the role of the U.S. dollar as a global reserve currency and its implications for the United States.
- Discuss the potential for cryptocurrencies, the Chinese yuan, and the proposed BRICS currency to challenge the dollar's dominance.
- Analyze how cryptocurrencies could reduce the U.S. dollar's global influence.
- Discuss whether the U.S. dollar is losing its dominance and assess the potential shift toward a multipolar currency system—featuring the yuan, euro, rupee, CBDCs, and regional currencies in global trade and reserves.

## Textbook

- Jeff Madura and Chad Zipfel, “International Financial Management”, 15<sup>th</sup> ed., 2025, Cengage Learning, Inc.
- \$50 through CarmenBooks, National price would be over \$100.
- The MindTap with eBook for ***International Financial Management*** by Madura is being provided via the OSU CarmenBooks program. Through CarmenBooks, students obtain publisher materials electronically through Carmen/Canvas, saving them up to 80% per title. The fee for this material is included as part of tuition and is listed as ***CarmenBooks fee*** on your Statement of Account. In addition to cost-savings, materials provided through CarmenBooks are available *immediately* on or before the first day of class. There is no need to wait for financial aid or scholarship money to purchase your textbook.
- 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).

## Pre-Requisites

BusFin 4250, or concur: 4211 and 4221.

## How this Course Works

**Mode of delivery:** This course is 100% in-person. I expect each student to be in class on time and be prepared to participate in class discussion. I will put discussion questions on the screen and expect you to share your thoughts.

This is a three-credit-hour course. According to [OSU Policy](#), students should spend about an average of 3.0 hours per week on direct instruction (instructor content and Carmen activities, for example) in addition to a minimum of 3 hours of homework (reading, assignment preparation, for example). You need to stay up to date on readings, lecture slides, and complete the assignments before the deadline. If you feel you are falling behind/having

difficulties to keep up, please reach out. I will be more than happy to help, but you need to initiate.

I expect you to remain in class for the entire session and give your full attention to the lecture. However, if you must step out briefly, please do so as quietly as possible and avoid slamming the door.

## Chapters to Be Covered:

Chapter 7: International Arbitrage and Interest Rate Parity  
Chapter 8: Relationships among Inflation, Interest Rates, and Exchange Rates  
Chapter 9: Forecasting Exchange Rates  
Chapter 10: Measuring Exposure to Exchange Rate Fluctuations  
Chapter 11: Managing Transaction Exposure  
Chapter 12: Managing Economic Exposure and Translation Exposure  
Chapter 13: Foreign Direct Investment  
Chapter 14: Multinational Capital Budgeting  
Chapter 17: Multinational Capital Structure and Cost of Capital  
Chapter 18: Long-Term Debt Financing  
Chapter 20: Short-Term Financing  
Current Event – Not in the textbook

## Attendance and Participation Requirements

I expect everyone to attend class regularly. We will do many in-class problems that require your active participation. Lack of participation will adversely affect your final grade. My expectation is that everyone should participate in class discussion at least once a week.

## Office hours: OPTIONAL

Office hours are optional but recommended especially if you are struggling with the material. I will be happy to help. Reach out before it is too late. Please contact me if you wish to meet with me in my office. The best way to contact me is via email. Please send the e-mail via **OUTLOOK**. I will respond back within 48 hours.

## Grading and Evaluation

Graded assignments may come in three forms, and students should note the expectations for each in the descriptions of our class assignments below.

- **Independent Work (👤):** Strictly non-collaborative, original-individual work. You may discuss this assignment only with your instructor. Discussions with other individuals, either in person or electronically, are strictly prohibited.
- **Collaboration Required (👥):** An explicit expectation for collaboration among students (i.e., group work). Answers to some questions may involve searching on the internet/other sources. Avoid writing long answers.
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Assignment Name	Weight	Assignment Type
Two exams (in-class via lockdown browser) - Each exam is worth 20% - Exam 2 is not comprehensive	40%	↑
Chapter quizzes (MindTap)	5%	↑
Chapter assignments (MindTap)	10%	↑
Blade Case – Three Assignments	15%	↑↑↑
In-class Discussion – Point/Counterpoint	15%	↑↑↑
Final Project/Presentation	15%	↑↑↑
Total	100%	

## Course Resources to Learn the Material

The link to the textbook and the link to lecture slides are posted in Carmen. In addition, the active learning questions and review questions (both posted in Carmen) are an excellent source of testing your understanding of the course material. Students are expected to review the textbook and the slides before each class. To encourage preparation and facilitate class discussion, I may call on students to share their insights. Your participation in class discussion will be taken into account when determining your grade for in-class discussion.

## Course Assignments

### Homework and Participation

Throughout the semester, you will need to actively participate in class to earn full participation points.

### Case Studies – Blades, Inc. Case

We will be following the growth and management of the Blades Company throughout the semester. You will be assigned case problems from specific chapters that require more critical thinking and qualitative reasoning. The case grade will reflect both your responses and your participation in the case discussion.

You will be randomly assigned partners so that you can work together, brainstorm ideas, and deliver a better end-product. It is important for the teams to communicate regularly and share with the Professor if an individual is not doing their perceived fair share. Only one upload submission per group is required in Carmen.

Each group will be working independently of all other groups. Discussions with other groups, either in person or electronically, are strictly prohibited.

Answer to any question that is not the result of group work will receive a zero.

Using AI to answer questions is strictly prohibited. Writing an answer with the help of AI will result in a zero. I will be using **Turnitin** and other applications that have AI detection algorithms.

Blades case studies are due Sunday, 11:59pm ET. These will be graded in 1-2 weeks.

### **Point/Counterpoint Discussion**

Each chapter of the textbook includes a *Point/Counterpoint* section presenting two opposing perspectives on key issues in international financial management. These sections are intended to promote critical thinking by encouraging students to evaluate both sides of a debate and consider the practical implications for multinational corporations.

Students will be expected to read these sections carefully, reflect on the arguments presented, and be prepared to discuss or respond to them as part of class activities.

### **MindTap Assignments and Quizzes**

Throughout the semester, you are required to complete a MindTap assignment and a MindTap quiz for each chapter covered in class. These are **individual** assessments, and you will have up to **three attempts** for each. The **highest score** will be recorded in the gradebook.

MindTap assignments have a **60-minute** time limit, while quizzes are limited to **20 minutes**.

Late submissions are not accepted. If you miss a due date, you will receive a zero. Please do not request extensions or for assignments to be re-opened, as it would be unfair to others who met the deadline.

### **Exams**

There will be two in-class exams this semester, both administered through LockDown Browser. Each exam will consist of **30 multiple-choice and true/false** questions. You will have **50 minutes** to complete each exam. Please note that the second exam is not comprehensive.

Since exams are taken via the lockdown browser, use the link below to download the software. Please do not wait until the quiz day. If there is any technical issue, you want to have enough time to fix it before the test day:

<https://teaching.resources.osu.edu/toolsets/carmencanvas/guides/respondus-lockdown-browser-students>.

As per university policy, any indication of cheating or unethical practices will not be tolerated. Students must adhere to OSU's Academic Integrity Standards (see Academic Integrity Policy, below).

### **Grade appeals**

Grade appeals must be emailed within one week after the graded work is made available. The entire document will be checked for grading errors, and correcting these could either raise or lower the overall score.

## Makeup exams

Makeup exams will only be granted with **written documentation** of a **legitimate University-approved absence**. Acceptable excuses include illness, a death in the immediate family, religious observance, jury duty, or similar emergency circumstances.

**No makeups will be given for missed online assignments or quizzes**, as students will have ample time to complete them. To avoid missing a deadline due to unexpected events, it is strongly recommended that you complete assignments and quizzes **as soon as they become available**.

## Grading scale:

### OSU Standard Scheme A-E

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Grade By  
Percentage

Letter Grade	Range
A	100% to 93%
A-	< 93% to 90%
B+	< 90% to 87%
B	< 87% to 83%
B-	< 83% to 80%
C+	< 80% to 77%
C	< 77% to 73%
C-	< 73% to 70%
D+	< 70% to 67%
D	< 67% to 60%
E	< 60% to 0%

**Grades are final and non-negotiable. I do not offer any extra credit either.**



## Student COVID-related accommodation process

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.

If you are isolating while waiting for a COVID-19 test result, please let me know immediately. Those testing 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 with them at [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; or [slds.osu.edu](http://slds.osu.edu).

## Communication with your Professor

The preferred means of communication is via e-mail. Since I am teaching multiple sections of this course, please make sure that you will indicate the class time in your signature. Please avoid sending long e-mails. For long questions, you can either call me or make an appointment for a meeting in my office. Please send your e-mails to me via OUTLOOK as I check my OUTLOOK email messages several times a day.

## 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, altering the time of a student's presentation, allowing make-up assignments to substitute for missed class work, or flexibility in due dates.

## Academic Integrity

All students enrolled in this course are responsible for abiding by the guidelines outlined in the University's Code of Student Conduct. According to University Rule 3335-31-02, all suspected cases of academic misconduct will be reported to the Committee on Academic Misconduct.

## Disenrollment

Fisher College University Rule 3335-8-33 provides that a student may be disenrolled after the third instructional day of the quarter, the first Friday of the semester, or the student's second-

class session of the course, whichever occurs first, if the student fails to attend the scheduled course without giving prior notification to the instructor

## Course Schedule

I will try to stick to the course schedule (outlined below). But if I must slow down to make sure that everyone is on board, I will do so. The exam dates, however, remain unchanged. The due dates for MindTap assignments are subject to change, depending on when we finish a chapter. If a change must be made, I will announce that in class, and you will also see the update in MindTap.

The following course outline is tentative and is subject to change at my discretion

Wk	Dates	Topics
1	August 26 and 28	Introduction – Course Overview Overview of Chapters 2 and 5
2	September 2 and 4	Chapter 7: International Arbitrage and Interest Rate Parity
3	September 9 and 11	Chapter 8
4	September 16 and 18	Chapter 9 Chapter 10 Measuring Exposure to Exchange Rate Fluctuations
5	September 23 and 25	Chapter 10 (cont.)
6	September 30 and October 2	Chapter 11: Managing Transaction Exposure
7	October 7 and 9	Chapter 11 (cont.) Chapter 12: Managing Economic Exposure
8	October 14 October 16 (Fall Break)	Exam 1 – October 14 (No class)
9	October 21 and 23	Chapter 13: Direct Foreign Investment Chapter 14: Multinational Capital Budgeting
10	October 28 and 30	Chapter 14 Cont.) Chapter 17: Multinational Capital Structure
(11)	November 4 and 6	Chapter 17 (cont.) Chapter 18: Long-Term Debt Financing
12	Nov 11 (Veteran's Day) November 13	No class Chapter 20: Short-Terms Debt Financing
13	November 18 and 20	Current Event
14	November 25 27 (Thanksgiving)	Group Presentations (No class)
15	December 2	Group Presentations – Exam Review if time permits
	December 4	Exam 2 – December 4

## 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](http://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](http://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.LISW ([decenzo.4@osu.edu](mailto: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 know someone who 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.

## Electronic Devices

The absence of unnecessary distractions and interruptions is essential for a positive and effective learning environment. All electronic devices must be turned off and put away prior to the start of class.

## 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](https://ocio.osu.edu/help/hours), and support for urgent issues is available 24/7.

- Self-Service and Chat support: [ocio.osu.edu/help](https://ocio.osu.edu/help)
- Phone: 614-688-4357(HELP)
- Email: [servicedesk@osu.edu](mailto:servicedesk@osu.edu)
- TDD: 614-688-8743
- Baseline technical skills for online courses
- Basic computer and web-browsing skills
- Navigating Carmen: for questions about specific functionality, see the Canvas Student Guide.

## Required equipment

- Computer: current Mac (OS X) or PC (Windows 7+) with high-speed internet connection
- Webcam: built-in or external webcam, fully installed and tested
- Microphone: built-in laptop or tablet mic or external microphone
- Other: a mobile device (smartphone or tablet) or landline to use for BuckeyePass authentication.
- 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.