International Finance

MGT 4070 O - Fall 2026

GEORGIA INSTITUTE OF TECHNOLOGY

Instructor	Xindi He
Email	xindi.he@scheller.gatech.edu
Class Website	Canvas
Class Time	Livestreamed lecture: Tue & Thu 5:00 pm – 6:15 pm; zoom link Real-time attendance is not required. Recordings will be provided.
Office Hours	Tuesday 2:30 pm – 3:30 pm and by appointment In-person: Scheller 4132; Virtual: zoom link
Teaching Assistant	Yiyang Zhang: yiyang.zhang@scheller.gatech.edu
TA Office Hours	See TA's Canvas announcement

Prerequisites MGT 3062 or MGT 3078

Course Description This course extends the principles of finance to an international setting. We will emphasize how to manage exchange risk exposure and market imperfections using various instruments and techniques available while maximizing the benefits from the expanded global opportunity set. Major topics of the course include foreign exchange markets, determination and forecasting of the exchange rates, foreign exchange risk management, and international investments.

Textbook The recommended textbook is *International Financial Management* 9th Edition by Cheol S. Eun, Bruce G. Resnick, and Tuugi Chuluun. While the problem sets and exams are only based on the lecture notes, this book provides more details and examples that supplement the discussion in the lectures.

Lecture Notes The slides will be posted the night before each class on Canvas for students who prefer to print them out and follow along during class. Additional notes with more advanced technical details and python codes will be posted on selected topics for students who are interested, but are not required and will not be tested.

Study Groups Students are encouraged to form study groups with up to four members to complete the problem sets and prepare for presentations. Only a single problem set writeup is required for each group, and all members will receive the same grade for that problem set. All members in a presentation group will also receive the same grade. Students can switch group at any time in the semester.

Presentations

There are eight suggested cases listed below, corresponding to the four important topics of this course. Each group can sign up for at most one case before the end of week 2. Among the groups that have signed up for the same topic, two presentation groups will be randomly selected two days prior to the presentation date. Slides of all participating groups on the same topic, either presented or not, will be distributed to the class after the presentation for peer grading.

Suggested Cases

Topic 1: Financial Crisis (presentation date: Sep 19)

- Case A: "Argentina's Convertibility Plan" by Rafael Di Tella and Ingrid Vogel
- Case B: "India on the Move" by Richard H.K. Vietor and Emily J. Thompson

Topic 2: Hedging Practice (presentation date: Oct 24)

- Case A: "Foreign Exchange Hedging Strategies at General Motors: Competitive Exposures" by Mihir A. Desai and Mark F. Veblen
- Case B: "Voyages Soleil: The Hedging Decision" by Stephen Sapp and Jonathan Michel

Topic 3: International Mergers & Acquisitions (presentation date: Nov 4)

- Case A: "Walt Disney Co.: The Entertainment King" by Michael G. Rukstad, David J. Collis, and Tyrrell Levine
- Case B: "Vodafone AirTouch's Bid for Mannesmann" by Simi Kedia

Topic 4: International Equity Markets (presentation date: Nov 18)

- Case A: "China's Stock Market: Understanding Its Boom-and-Bust Cycles" by Richard B. Evans, Dennis Yang, Junhui Qian, and Yangmei Deng
- Case B: "Innocents Abroad: Currencies and International Stock Returns" by Mihir A. Desai, Kathleen Luchs, Elizabeth A. Meyer, and Mark F. Veblen

Grading

Scheme A		**Scheme B**	
Problem sets (top 4/5)	20%	Problem sets (top 4/5)	20%
Presentation	10%	Presentation	20%
Quiz (higher of the 2)	35%	Quiz (higher of the 2)	20%
Final	35%	Final	20%

Bonus	20%

The scores from the two schemes will be calculated and compared, and the higher one will be used for assigning the final letter grade. A: $[85, 100]$; B: $[75, 85)$; C$[65, 75)$; D: $[60, 65)$; F:$[0, 60)$. For example, if a student receives 85 on average for top 4 problem sets, 90 for presentation, 70 for the higher quiz score, 80 for the final, and 100 for bonus, then his/her score will be $20\%\times85 + 10\%\times90 + 35\%\times70 + 35\%\times80 = 78.5$ under scheme A and $20\%\times85 + 20\%\times90 + 20\%\times70 + 20\%\times80 + 20\%\times100 = 85$ under scheme B. So, his/her final score is 85, and final letter grade is A.

Course Outline
(Subject to change)

Week 1 (Aug 24 – Aug 28)

- Session 1 (Aug 25): Introduction to the course
- Session 2 (Aug 27): Overview of International Finance (Chapter 1)

Week 2 (Aug 31 – Sep 4)

- Session 3 (Sep 1): Balance of Payments (Chapter 3)
- Session 4 (Sep 3): Foreign Exchange (Chapter 5)

Week 3 (Sep 7 – Sep 11)

- Session 5 (Sep 8): Foreign Exchange (Chapter 5)
- Session 6 (Sep 10): International Parity Relationships (Chapter 6)
- Problem set 1 posted on Canvas (Sep 10)
- Deadline for presentation sign up.

Week 4 (Sep 14 – Sep 18)

- Session 7 (Sep 15): Exchange Rate Forecast (Chapter 6)
- Session 8 (Sep 17): Exchange Rate Forecast (Chapter 6)
- Problem set 1 due (Sep 17, before class)

Week 5 (Sep 21 – Sep 25)

- Session 9 (Sep 22): International Monetary System (Chapter 2)
- Session 10 (Sep 24): Case Presentation - Financial Crisis

Week 6 (Sep 28 – Oct 2)

- **Quiz #1 (Sep 29): covers session 1 – 10**
- Session 11 (Oct 1): Financial Derivatives in General (Chapter 7)
- Problem set 2 posted on Canvas (Oct 1)

Week 7 (Oct 5 – Oct 9)

- Holiday Break (Oct 6): No Class
- Session 12 (Oct 8): Financial Derivatives in General (Chapter 7)
- Problem set 2 due (Oct 8, before class)

Week 8 (Oct 12 – Oct 16)

- Session 13 (Oct 13): Futures and Options in FX Market (Chapter 7)
- Session 14 (Oct 15): Futures and Options in FX Market (Chapter 7)
- Problem set 3 posted on Canvas (Oct 15)

Week 9 (Oct 19 – Oct 23)

- Session 15 (Oct 20): Swaps Contract (Chapter 14)
- Session 16 (Oct 22): Management of Risk Exposures (Chapter 8 & 9)
- Problem set 3 due (Oct 22, before class)

Week 10 (Oct 26 – Oct 30)

- Session 17 (Oct 27): Management of Risk Exposures (Chapter 8 & 9)
- Session 18 (Oct 29): Case Presentation - Hedging Practice

Week 11 (Nov 2 – Nov 6)

- **Quiz #2 (Nov 3): covers session 11 – 18**
- Session 19 (Nov 5): Direct Investment (Chapter 16)
- Problem set 4 posted on Canvas (Nov 5)

Week 12 (Nov 9 – Nov 13)

- Session 20 (Nov 10): Case Presentation - International Mergers & Acquisitions
- Session 21 (Nov 12): Bond Markets (Chapter 12)

Week 13 (Nov 16 – Nov 20)

- Session 22 (Nov 17): Stock Markets (Chapter 13)
- Session 23 (Nov 19): Portfolio Management (Chapter 15)
- Problem set 4 due (Nov 17, before class)
- Problem set 5 posted on Canvas (Nov 19)

Week 14 (Nov 23 – Nov 27)

- Session 24 (Nov 24): Case Presentation - International Equity Markets
- Holiday Break (Nov 26): No Class

Week 15 (Nov 30 – Dec 4)

- Session 25 (December 1): Portfolio Management (Chapter 15)
- Session 26 (December 3): Real World Applications & Open Discussion
- Problem set 5 due (December 1, before class)

Week 16 (Dec 7 – Dec 11)

- Session 27 (Dec 8): Exam Review
- **Final Exam (Dec 10): covers session 19 - 27**