FIN490C: Japanese Financial Management:
Spring 2024

PROFESSOR MITSURU MISAWA

Class Time: Wednesday and Friday: 10:30 a.m. - 11:45 a.m. D103
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Required Text:


Within this casebook, you will find my most recent seven cases listed on Harvard Business Publishing, two of which have achieved remarkable success by ranking as bestsellers and among the top 20 most popular case studies sold on Harvard:

2. “Negative Interest Rates: The Bank of Japan Experience."

Reference Book:


*All books are available through the UH Bookstore. If you purchase my book, Professor Misawa would be happy to autograph them.

Objectives of the Course:

Japan’s economy spurred by “Abenomics” has showed promising signs of life after more than 20 years of deflation. The financial management of Japanese corporations is attracting attention from all over the world. There are significant differences remain between the financial management philosophy and techniques used within Japanese companies and those used in the
US. These include the significant differences in the use of capital budgeting techniques, economic and political assessment of projects, decision-making styles, and techniques of corporate governance.

Exam Policy: Open book exam. Students can bring books, notes, handouts and any. Students should bring finance calculators to the exams. Laptops are allowed but Smartphones (I-phones) are not allowed. Make-up exams will only be given under extreme circumstances, such as injury or illness. There will be two midterm exams and a final exam at the end of the semester.

Grading Policy: The final grade will be based upon the following formula: Mid (1 + 2)/2 x 0.6 + Final x 0.4. The first 40% is for A, the second 40% is for B and the remaining 20% is for C. Plus/minus grades are given.

Homework Problems: Homework problems are assigned for each chapter. These are not collected and graded, nor do they count explicitly toward a student’s grade. However, it is impossible to master the material in this course without doing the homework problems conscientiously. There will be a high correlation between exam material and homework assigned. ANSWERS to most homework problems will be provided in class.

Course Attendance Policy: Your attendance will be taken in each class. If you expect to miss more than ten class meetings, you should consider taking this course another semester. All the handouts are provided through Laulima.

I do not permit my lectures to be recorded on cellphones. My lectures are protected by copyright and recordings of lectures for onward distribution are strictly prohibited.

Scholarships: Professor Misawa – Honjo International Fellowship is available to selected undergraduate and graduate students who want to study in Japan. Total of $30,000 a year is distributed to 5-6 students. Students taking my FIN 321, F490C or FIN 637 are given first preference. The students interested in the scholarship should see Professor Misawa and also visit his website. **The year of 2024 is the 17 years: Total Amount Awarded $510,000 and 73 Recipients Under This Fellowship.**

Misawa’s Cases: **My 23 Cases** are listed in the US on Harvard Business Online. See Harvard Business Online Under Misawa:


Suggested Readings:
Read my Harvard listed cases. My recent 2 cases below are the bestsellers at Harvard.


Mitsuru Misawa, “Tokyo Disneyland and the DisneySea Park: Corporate Governance and Differences in Capital Budgeting Concepts and Methods Between American and Japanese
Course Calendar:

(1) Foreign Exchange Rate Determination
Chapter 9
Date: Jan.10, 12, 17

(2) Abenomics
Chapter 6
Cases:
3. Misawa, “The Bank of Japan’s Negative Interest Rate”, 2017

Date: Jan. 19,24,26,31, Feb.2

(3) Foreign Investments and Operations-Multinational Capital Budgeting
Chapter 18
Cases;
Date: Feb.7,9,14,16,21,23, 28

March 1: Midterm Exam (1)

(4) Foreign Exchange Exposure- Transaction Exposure
Chapter 10
Case;
Date: March 6,8,13
(5) Foreign Exchange Exposure- Translation Exposure
Chapter 11
Date: March 15, 27, 29

(6) Foreign Exchange Exposure- Operating Exposure
Chapter 12
Date: April 3, 5

April 10: Midterm Exam (2)

(7) Interest Rate Risk and Swaps
Chapter 8
Cases:
1. Misawa, “Saizeriya and the Use of Foreign Currency Coupon Swaps: Was this for Hedging or Speculation?”, 2014
2. Misawa, “Interest-rate Swap Offered by Sumitomo-Mitsui Bank: Was This for Hedging or Speculation? 2017
Date: April 12, 17, 19

(8) Multinational Tax Management
Chapter 15
Date: April 24, 26

May 1; Last day of the class (no class)

May 10, 9:45-11:45am; Final Exam. (D103)