GUJARAT TECHNOLOGICAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION (Global Program)

Year – II (Semester – III) (W.E.F. January 2014)

Specialization: International Business

Subject Name: International Finance (IF)

Subject Code: 2830502

1. Course Objective: To acquaint the students with fundamental concepts of International Finance and Exchange Rate Systems and also the tools, techniques and strategies to make International finance-related decisions. To provide better understanding about letter of credit and its mechanisms.

2. Course Duration: The course duration is of 36 sessions of 75 minutes each.

3. Course Contents:

Module No:	Module Content	No. of Sessions	70 Marks (External Evaluation)
I	**International Finance – Overview** Globalization and the Multinational Firm International Monetary System, Balance of Payments, The Market for Foreign Exchange, International Parity Relationship and Forecasting, Foreign Exchange Rate	7	17
II	**Forward Exchange Arithmetic & International Financial Markets** Exchange Arithmetic, Forward Exchange contracts, Forward Exchange Rates based on cross rates, Inter-Bank deals, Execution of forward contract, Cancellation/Extension of forward contract International Banking and Money Market, International Bond Market, LIBOR, International Equity Markets, ADR, GDR, EURO	7	17
III	**Cash Mgt. & International Portfolio Management with Exposure Management** Multinational Cash Management, International Portfolio Investments, Foreign Direct Investment and Cross-Border Acquisitions, Management of Economic Exposure,	7	18

	Management of Transaction Exposure, Management of Translation Exposure		
IV	**Foreign Trade Contracts & Procedures** International Commercial Terms- Incoterms, Letters of Credit - Meaning and Mechanism, Types of Letters of Credit, Operation of a Letters of Credit, Export-Import Bank of India, Export Credit Insurance	7	18
V	**Practical:** 1. Students should study the documentation in international finance (For example, How the application for letter of credit is made, How the forward contracts are entered into), prepare a report and submit it to concerned faculty). 2. Students should take any multinational company and study its cash / credit / loan / working capital management system and give a Public Presentation.	8	Internal Evaluation (20 Marks of CEC)

4. Teaching Method: The following pedagogical tools will be used to teach this course:

1. Lectures & Discussions
2. Assignments & Presentations
3. Case Analysis
4. Numerical Problems Solving

5. Evaluation:

The evaluation of participants will be on continuous basis comprising of the following Elements:

A	Projects/ Assignments/ Quizzes/ Class participation etc	Weightage 50% (Internal Assessment- 50 Marks)
B	Mid-Semester examination	Weightage 30 % (Internal Assessment-30 Marks)
C	End –Semester Examination	Weightage 70% (External Assessment-70 Marks)

6. Basic Text Books:

Sr. No.	**Author**	**Name of the Book**	**Publisher**	**Year of Publication**
T1	V. V. Sharan	International Financial Management	PHI - EEE	Latest Edition
T2	Eun&Resnick	International Financial	Tata Mcgraw Hill	Latest Edition

		Management		
T3	Alan Sharpio	Mulitnstional Financial Management	John Wiley Publication	Latest Edition

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

7. Reference Books:

Sr. No.	Author	Name of the Book	Publisher	Year of Publication
R1	C. Jeevanandan	Foreign Exchange & Risk Management	Sultan Chand	Latest Edition
R2	Siddieh	International Financial Management	PHI	Latest Edition
R3	P. G. Apte	International Financial Management	PHI	Latest Edition
R4	O. P. Agrawal	International Financial Management	Himalaya	Latest Edition
R5	E. Clark	International Financial Management	Cengage	Latest Edition
R6	MadhuVij	International Financial Management	Excel Books	Latest Edition
R7	J. Madura	International Financial Management	South Western Publication	Latest Edition

8. List of Journals/Periodicals/Magazines/Newspapers, etc.: The students will have to refer to past issues of the following journals in order to get relevant topic/information pertaining to the subject.

Journal of Finance , Monetary Economics – ICFAI Journal, Money & Finance (ICRA Bulletin), Public Finance, Treasury Management – ICFAI Magazine, Business Standard, The Economic Times, Financial Express, CFA Reader, Business Today, Business India, Business World, Finance India

9. Session Plan:

Session Nos.	Topics to be covered
1	Globalization and the Multinational Firm (Theory) (T1)
2	International Monetary System (Theory) (T1)
3	Balance of Payments (Theory) (T1)
4-5	The Market for Foreign Exchange (Theory) (T1)
6-7	International Parity Relationship and Forecasting Foreign Exchange Rate(Theory and Practical) (T1)
8-9	Exchange Arithmetic Forward Exchange contracts Forward Exchange Rates based on cross rates (Practical) (T2)
10	Inter bank deals (Practical) (T2)
11	Execution of forward contract Cancellation/Extension of forward contract (Practical) (T2)
12	International Banking and Money Market (Theory) (T1)
13-14	International Bond & Equity Market (Theory) (T1)
15	Multinational Cash Management (Theory) (T1)
16-17	International Portfolio Investments (Theory and Practical) (T1)
18	Foreign Direct Investment and Cross-Border Acquisitions (Theory) (T1)
19-21	Management of Exposure (Theory and Practical) (T1)
22	International Commercial Terms - Incoterms (Theory) (T2)
23	Letters of Credit-Meaning and Mechanism (Theory) (T2)
24-25	Types of Letters of Credit (Theory) (T2)
26	Operation of a Letters of Credit (Theory) (T2)
27	Export-Import Bank of India (Theory) (T2)
28	Export Credit Insurance (Theory) (T2)
29-36	**Practical:** 1. Students should study the documentation in international finance (For example, How the application for letter of credit is made, How the forward contracts are entered into), prepare a report and submit it to concerned faculty). 2. Students should take any multinational company and study its cash / credit / loan / working capital management system and give a Public

	Presentation.