



GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration (Part-Time), 4th Semester
Functional Area Specialization: International Business Management

Subject Name: International Finance Management (IFM)

Subject Code: 4549942

With effective
from academic
year 2018-19

1. Learning Outcomes:

Learning Outcome Component	Learning Outcome
Business Environment and Domain Knowledge (BEDK)	<ul style="list-style-type: none">• Demonstrate knowledge of basic tenets of exchange rate determination, interest rates and hedging.• Demonstrate an understanding of the applicability of foreign exchange derivatives to manage foreign exchange exposure of firms.
Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI)	<ul style="list-style-type: none">• Apply knowledge of foreign exchange management to manage risks faced by international firms.• Demonstrate ability to strategize and provide solutions and options to take advantage of opportunities and safeguard against threats in global financial markets.
Global Exposure and Cross-Cultural Understanding (GECCU)	<ul style="list-style-type: none">• Develop a keen sense of awareness and agility for keeping trace of the latest developments pertaining to foreign exchange and international finance.
Social Responsiveness and Ethics (SRE)	<ul style="list-style-type: none">• Illustrate responsibility towards the society and other stakeholders by managing international financial operations in an ethical and legal manner.
Effective Communication (EC)	<ul style="list-style-type: none">• Develop oral and written communication abilities which demonstrate a high degree of understanding of the key concepts of international finance.
Leadership and Teamwork (LT)	<ul style="list-style-type: none">• Demonstrate the ability to work in a team for analysing data, situations and circumstances to arrive at practical and sound financial decisions regarding international operations.

2. **Course Duration:** The course duration is of **40 sessions of 60 minutes each.**

3. Course Contents:

Module No:	Contents	No. of Sessions	70 Marks (External Evaluation)
I	<p>International Finance – Overview:</p> <ul style="list-style-type: none">• Multinational financial management – opportunities and challenges• Nature of international financial functions• Balance of Payments, National Income• Gold Standard, Bretton Woods System and Exchange Rate Regime since 1973• LERMS <p>Foreign Exchange:</p> <ul style="list-style-type: none">• Nominal, real and effective exchange rates• Exchange rate determination in spot and forward markets• Capital and Current Account Convertibility• Interest parity	10	18



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	<ul style="list-style-type: none"> Inflation and exchange rate dynamics LIBOR 		
II	<p>Foreign Exchange Markets (theory and numerical):</p> <ul style="list-style-type: none"> Spot and Forward markets Currency Futures – features, hedging with currency futures Currency Options – features, terminologies, hedging with currency options <p>Forecasting Exchange Rates. (theory only)</p>	10	18
III	<p>Foreign Exchange Exposure:</p> <ul style="list-style-type: none"> Concept of exposure Transaction Exposure Translation Exposure Need for hedging Hedging and managing exposure <p>Economic Exposure:</p> <ul style="list-style-type: none"> Foreign exchange risk and economic exposure Identifying and calculating economic exposure Real Operating Exposure 	10	17
IV	<p>Financing International Operations:</p> <ul style="list-style-type: none"> International and domestic capital markets Corporate sources and uses of funds Eurocurrency market and Euro bonds Strategies for Foreign Direct Investment <p>International Taxation.</p>	10	17
V	<p>Practical: 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). Students should take any multinational company and study its cash / credit / loan / working capital management system and give a Public Presentation.</p>	---	(30 marks CEC)

4. Pedagogy:

- ICT enabled Classroom teaching
- Case study
- Practical / live assignment
- Interactive class room discussions

5. Evaluation:

Students shall be evaluated on the following components:

A	Internal Evaluation	(Internal Assessment- 50 Marks)
	<ul style="list-style-type: none"> Continuous Evaluation Component 	30 marks



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	• Class Presence & Participation	10 marks
	• Quiz	10 marks
B	Mid-Semester examination	(Internal Assessment-30 Marks)
C	End –Semester Examination	(External Assessment-70 Marks)

6. Reference Books:

No.	Author	Name of the Book	Publisher	Year of Publication / Edition
1	Vyuptakesh Sharan	International Financial Management	PHI	2012 / 6 th
2	Paul R. Krugman, Maurice Obstfeld, Marc J. Melitz	International Finance: Theory and Practice	Pearson	2014 / 10 th
3	Cheol Eun & Bruce G. Resnick	International Financial Management	McGraw Hill	2017 / 8 th
4	Alan Sharpio	Multinational Financial Management	John Wiley	2013 / 10 th
5	C. Jeevanandan	Foreign Exchange & Risk Management	Sultan Chand	2013
6	Jeff Madura	International Financial Management	Thomson	2009 / 9 th
6	P. G. Apte	International Financial Management	McGraw Hill	2011 / 6 th
7	O. P. Agrawal	International Financial Management	Himalaya	2011

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. List of Journals / Periodicals / Magazines / Newspapers / Web resources, etc.

1. Journal of Finance
2. Monetary Economics – ICFAI
3. Journal, Money & Finance (ICRA Bulletin)
4. Public Finance
5. Treasury Management – ICFAI Magazine
6. Business Standard
7. The Economic Times
8. Financial Express
9. CFA Reader
10. Business Today
11. Business India
12. Business World



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13. Finance India