

MBA - II SEMESTER - IV
FM - International Finance (IF)

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 will have sessions which are divided into five modules. Each module consists of eight sessions of 75 minutes each and carries a weightage of 30%.

3. Course Content:

Module No.	Modules/Sub-Modules	Sessions	Marks Weightage
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	8	20%
II	Forward Exchange Arithmetic Exchange Arithmetic, Forward Exchange contracts, Forward Exchange Rates based on cross rates, Inter bank deals, Execution of forward contract, Cancellation/Extension of forward contract	8	20%
III	International Financial Markets & Cash Mgt. International Banking and Money Market, International Bond Market, LIBOR, International Equity Markets, ADR, GDR, EURO, Multinational Cash Management	8	20%
IV	International Portfolio Management with Exposure Management International Portfolio Investments, Foreign Direct Investment and Cross-Border Acquisitions, Management of Economic Exposure, Management of Transaction Exposure, Management of Translation Exposure	8	20%
V	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	8	20%

4. Teaching Methods:

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 students will be evaluated on a continuous basis and broadly follow the scheme given below:

1.	Assignments / Presentations/ Quizzes / Class Participation etc.	50% Marks (Internal Assessment)
2.	Mid – Semester Examination	30% Marks (Internal Assessment)
3.	End - Semester Examination (Theory: Min. 60% & Practical: Min. 40%)	70% Marks (External Assessment)

6. Basic Text Books:

Sr. No.	Author/s	Name of the Book	Publisher	Edition and Year of Publication
T1	V.V.Sharan	International Financial Management	PHI EEE	Latest Edition
T2	Eun & Resnick	International Financial Management	Tata McGraw Hill	Latest Edition
T3	Alan Shapiro	Multinational Financial Management	John Wiley Publication	Latest Edition

7. Reference Books:

Sr. No.	Author/s	Name of the Book	Publisher	Edition and 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	Madhu Vij	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.

1. Journal of Finance
2. Monetary Economics – ICFAI Journal
3. 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
13. Finance India

9. Session Plan:

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Sessions	Topic
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)
6-8	International Parity Relationship and Forecasting Foreign Exchange Rate (Theory and Practical) (T1)
9-11	Exchange Arithmetic Forward Exchange contracts Forward Exchange Rates based on cross rates (Practical) (T2)
12-13	Inter bank deals (Practical) (T2)
14-16	Execution of forward contract Cancellation/Extension of forward contract (Practical) (T2)
17-18	International Banking and Money Market (Theory) (T1)
19-20	International Bond Market (Theory) (T1)
21-22	International Equity Markets (Theory) (T1)
23-24	Multinational Cash Management (Theory) (T1)
25-26	International Portfolio Investments (Theory and Practical) (T1)
27	Foreign Direct Investment and Cross-Border Acquisitions (Theory) (T1)
28-29	Management of Economic Exposure (Theory and Practical) (T1)
30-31	Management of Transaction Exposure (Theory and Practical) (T1)
32	Management of Translation Exposure (Theory and Practical) (T1)
33	International Commercial Terms - Incoterms (Theory) (T2)
34-35	Letters of Credit-Meaning and Mechanism (Theory) (T2)
36-37	Types of Letters of Credit (Theory) (T2)
38	Operation of a Letters of Credit (Theory) (T2)
39	Export-Import Bank of India (Theory) (T2)
40	Export Credit Insurance (Theory) (T2)