

PROGRAM	Bachelors of Commerce (Hons)
SEMESTER	V
COURSE TITLE	International Financial Management
COURSE CODE	04CH0531
COURSE CREDITS	04
COURSE DURATION	48 Hrs (48 sessions of 60 minutes each)

COURSE OUTCOMES:

- Understanding international business, its complexity and significance.
- Analyze the forex market participants and mechanism
- Evaluate the relationship between exchange rate and Macroeconomic variable.
- Understand various exposures faced by MNCs and evaluate the methods to hedge it.
- Synthesize and evaluate various strategies adopted by MNCs for managing their global operations

Teaching and Examination Scheme

Teaching Scheme (Hours)			Credits	Internal Marks (50%)		End-Semester Examination (50%)			Total Marks
Theory	Tutorial	Practical		IA	CSE	Theory	Practical/Viva	Term Work (TW)	
4	0	0	4	30	20	50	0	0	100

Course Contents:

Unit No	Unit / Sub Unit	Sessions
I	International financial environment Financial market in global Context – International and Domestic financial management, Goal of international finance, Globalisation of world economy. The Balance of Payment – Introduction, Balance-of-payment identity, Trends in global market. International monetary system – Introduction, Evolution of international monetary system (Bimetallism, Classical gold standard, Interwar period, Bretton Woods system, Flexible exchange rate system)	8
II	Forex Market Foreign exchange market - Forex market participants, understanding of spot market (Spot Rate Quotations Cross-Exchange Rate Quotations Alternative Expressions for the Cross-Exchange Rate the Bid-Ask Spread) and forward market (Forward Rate Quotations, Long and Short Forward Positions, Forward Cross-Exchange Rates, Forward Premium). Exchange rate determination and Forecasting – Interest rate parity, purchasing power parity, deviation from parity, Forecasting exchange rate.	10

III	Forex Exchange Exposure and management Management of Transaction exposure – Meaning, Methods to mitigate exposure, corporate risk management practices. Management of Economic exposure – Meaning of economic and operating exposure, method to manage the exposure. Management of Translation exposure – Meaning, translation methods, Management of Translation Exposure.	12
IV	World Financial Market International Banking & Money market – International banking services, Reasons for International Banking, Types of International Banking Offices, Capital Adequacy Standards, International Money Market. International Bond Market - Foreign Bonds and Eurobonds, types of Instruments, International Bond Market Credit Ratings, Eurobond Market Structure and Practices, International Bond Market Indexes, Bond market of India. International Equity Market - Market Structure, Trading Practices, Trading in International Equities.	10
V	Financial Management of MNC Foreign Direct Investment and Cross-Border Acquisitions – Reason for overseas investment, Cross-Border Mergers and Acquisitions, Political Risk and FDI. Multinational Cash Management - The Management of International Cash Balances, Bilateral Netting of Internal and External Net, Cash Management Systems in Practice. International trade finance - Foreign Trade Transaction Forfeiting, Government Assistance in Exporting, Countertrade.	8

SUGGESTED READINGS:

Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition & Year of Publication
T-01	Cheol S. Eun , Bruce G. Resnick	International Financial Management	McGraw Hill Education	7 th Edition, 2017
T-02	Thummuluri Siddhaiah	International Financial Management	Pearson	2 nd Edition, 2016

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year of Publication
R-01	P G Apte	International Financial	McGraw Hill Education	8 th Edition, 2020

		Management		
R-02	J. Madura	International Financial Management	South Western Publication	11th Edition
R-03	Robert J. Hodrick, Geert Bekaert	International Financial Management	Cambridge University Press	3rd Edition