



<b>PROGRAM</b>	<b>Master of Business Administration</b>
<b>SEMESTER</b>	<b>3</b>
<b>COURSE TITLE</b>	<b>International Finance</b>
<b>COURSE CODE</b>	<b>04MB0308</b>
<b>COURSE CREDITS</b>	<b>3</b>
<b>COURSE DURATION</b>	<b>42 Hrs (42 Sessions of 60 Minutes each)</b>

**COURSE OUTCOMES:**

- ❖ To provide comprehensive understanding of international business, its scope and significance for the financial manager.
- ❖ To understand international parity relationship and evaluate forces affecting exchange rate.
- ❖ To analyze exposures associated with currency fluctuations and strategies to manage it.
- ❖ To evaluate the international financial market and its structure.
- ❖ To appraise financial management of a multinational firms

**Course Contents:**

<b>Unit No</b>	<b>Unit / Sub Unit</b>	<b>Sessions</b>
I	<b>International Finance – Overview</b> Globalization and the Multinational Firm – Introduction to International Finance, Goal for international finance, Globalization, and world economy. International Monetary System– Evolution of monetary system, Bimetallism, Classical Gold Standard, Interwar period, Bretton Woods System, The Flexible Exchange Rate Regime, European Monetary System, world currency crises. Balance of payment – Balance-of-payment account, identity, Balance-of-Payments Trends in Major Countries	08
II	<b>Fundamental Parity Relationships and Foreign Exchange Market</b> International Parity Relationships and Forecasting Foreign Exchange Rates – Interest rate parity, purchasing power parity, Fisher effect, Forecasting exchange rate. The market for foreign exchange - Function and Structure of the FX Market, spot market and forward market.	08
III	<b>Foreign Exchange Exposure</b> Transaction Exposure – Meaning, Methods to mitigate transaction exposure, Economic Exposure – Meaning, measuring economic exposure & operating exposure, Managing Operating Exposure. Translation Exposure – Overview of translation methods, management of translation exposure.	08
IV	<b>World Financial Market</b> International banking and money market – Emergence of international banking, types of international banks, international money market, Global Financial crises. International Bond Market – Foreign bonds and Euro markets, Different instruments issued at international level, credit rating, major international indexes. International Equity Market – Market Structure, Trading Practices, and Costs, trading in international equities, Factors Affecting International Equity Returns. International Portfolio Investment – Optimal international portfolio selection, international bond investment, International mutual funds, international diversification through country funds.	10
V	<b>Financial Management of the Multinational Firms</b> Foreign Direct investment and Cross-Border Acquisition – Global trend in FDI, Cross border merger and acquisition, political risk and FDI. Multinational Cash Management	08



	– Management of international cash, Bilateral and multilateral Netting of Cash Flows, Cash management in practice. International Tax Environment – The objectives of taxation, types of taxation, national tax environment, transfer pricing, Blocked funds.	
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**Evaluation:**

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

	<b>Component</b>	<b>Weightage</b>
A	Continuous Evaluation Component (Assignments / Presentations/ Quizzes / Class Participation/ etc.)	20% (C.E.C.)
B	Internal Assessment	30% (I.A.)
C	End-Semester Examination	50% (External Assessment)

**SUGGESTED READINGS**

**Text Books:**

<b>Sr. No</b>	<b>Author/s</b>	<b>Name of the Book</b>	<b>Publisher</b>	<b>Edition &amp; Year</b>
<b>T-01</b>	Eun& Resnick	International Financial Management	Tata Mcgraw Hill	7 <sup>th</sup> Edition, 2017
<b>T-02</b>	P. G. Apte	International Financial Management	PHI	8 <sup>th</sup> Edition, 2020

**Reference Books:**

<b>Sr. No</b>	<b>Author/s</b>	<b>Name of the Book</b>	<b>Publisher</b>	<b>Edition &amp; Year</b>
<b>R-01</b>	J. Madura	International Financial Management	South Western Publication	11th Edition
<b>R-02</b>	Thummeluri Siddaiah	International Financial Management	Pearson	2 <sup>nd</sup> Edition, 2015
<b>R-03</b>	V. V. Sharan	International Financial Management	PHI - EEE	6 <sup>th</sup> Edition, 2019