

INTERNATIONAL FINANCIAL MANAGEMENT

IV Semester: MBA								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
CMBB57	Elective	L	T	P	C	CIA	SEE	Total
		4	0	-	4	30	70	100
Contact Classes: 45	Tutorial Classes: 00	Practical Classes: Nil				Total Classes: 45		
<p>OBJECTIVES:</p> <p>The course should enable the students to:</p> <ol style="list-style-type: none"> Understand the overview, importance, nature and scope of International Financial Management. Recognize the fundamentals of BOP, Accounting components of BOP, factors affecting and International Trade flows Elucidate the functions and Structure of the Forex markets, major participants, and types of transactions and settlements dates. Know about the foreign direct investment, international capital budgeting, international capital structure and cost of capital and international portfolio management <p>COURSE OUTCOMES(COs):</p> <p>CO1: Describe the meaning, definitions, nature and scope of financial management.</p> <p>CO2: Identify the goals, evolution and functions of financial management</p> <p>CO3: Examine the new role of finance function in contemporary scenario</p> <p>CO4: Illustrate the differences between profit maximization and wealth maximization</p> <p>CO5: Demonstrate the concepts of risk return trade off, time value, future value and present value of money.</p> <p>CO6: Discuss the meaning, definitions, characteristics and importance of investment decisions.</p> <p>CO7: Apply the methods and principles of capital budgeting.</p> <p>CO8: Predict the investment decision process and significance of capital budgeting.</p> <p>CO9: Explain the term capital budgeting decision under risk and uncertainty and methods of capital budgeting techniques</p> <p>CO10: Determine the concept and measurement of cost of capital.</p>								
UNIT-I	INTRODUCTION						Classes: 09	
An overview, importance, nature and scope of international financial management, domestic FM Vs. IFM, International Business Methods, recent changes and challenges in international financial management.								
UNIT-II	INTERNATIONAL FLOW OF FUNDS						Classes: 09	
Balance of Payments (BOP), fundamentals of BOP, Accounting components of BOP, factors affecting international trade flows, agencies that facilitate international flows. Indian BOP trends. International Monetary System: Evolution, gold standard, Bretton Woods's system, the flexible exchange rate regime, evaluation of floating rates, the current exchange rate arrangements, the economic and monetary union (EMU).								
UNIT-III	FOREIGN EXCHANGE MARKET						Classes: 09	
Function and Structure of the Forex markets, major participants, types of transactions and settlements dates, foreign exchange quotations. Process of arbitrage, speculation in the forward market. Currency futures and options markets, overview of the other markets, Euro currency market, Euro credit market, Euro bond market, international stock market.								
UNIT-IV	EXCHANGE RATES						Classes: 09	
Measuring exchange rate movements, factors influencing exchange rates. Government influence on exchange rates, exchange rate systems. Managing Foreign exchange Risk. International arbitrage and interest rate parity. Relationship between inflation, interest rates and exchange rates , purchasing power parity, international Fisher effect, Fisher effect, interest rate parity, expectations theory.								

UNIT-V	ASSET–LIABILITY MANAGEMENT	Classes: 09
Foreign direct investment, international capital budgeting, international capital structure and cost of capital. International portfolio management. International financing: Equity, Bond financing, parallel loans, international cash management, accounts receivable management, inventory management. Payment methods of international trade, trade finance methods, export and import bank of India, and recent amendments in EXIM policy, regulations and guidelines.		
Text books		
1. Jeff Madura, “International Corporate Management”, Cengage Learning, 2 nd Edition, 2012. 2. Alan C. Shapiro, “Multinational Financial Management”, John Wiley publications, 5 th Edition, 2012 3. S. Eun Choel and Risnick Bruce,” International Financial Management”, TMH, 4 th Edition, 2012		
Reference books		
1. Sharan. V, “International Financial Management” PHI Publications, 5 th Edition, 2012 2. P. G. Apte, “International Financial Management”, TMH publications, 3 rd Edition, 2012. 3. Madhu Vij,”International Financial Management”, Excel Publications, 4 th Edition, 2012.		
Web References		
1. https://www.open.edu/openlearn/money-business/sifd/content-section---references . 2. https://lcsc.libguides.com/c.php?g=436550&p=2976238 . 3. https://www.researchgate.net/publication/327767641sifdTextbooks .		
E-Text Books		
1. http://www.indiaclass.com/financia-management-references-books 2. https://www.loc.gov/rr/business/BERA/issue/finance.html		