



# INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

Dundigal - 500 043, Hyderabad, Telangana

## COURSE CONTENT

INTERNATIONAL FINANCIAL MANAGEMENT								
IV Semester: MBA								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
CMBD51	Elective	L	T	P	C	CIA	SEE	Total
		4	-	-	4	40	60	100
<b>Contact Classes: 45</b>	<b>Tutorial Classes: Nil</b>	<b>Practical Classes: Nil</b>			<b>Total Classes: 45</b>			
<b>Prerequisite: Financial Management</b>								

### I. COURSE OVERVIEW:

The course focuses on the nature, scope, evolution and goals of finance function enable students to understand maximizing profit, wealth, welfare and earnings per share of business concern. Financial management is also very useful to the business concerns to take investment decisions, capital structure decisions and dividend decisions from time to time for the growth and development of business. This course includes management of cash, receivables, inventory and current assets in working capital planning. This course uses the analytical techniques and arrives at conclusions from financial information for the purpose of decision making.

### II. OBJECTIVES:

**The students will try to learn:**

- I. The overview, Importance, nature and scope of International Financial Management.
- II. The fundamentals of BOP, Accounting components of BOP, factors affecting and International Trade flows.
- III. The functions and Structure of the Forex markets, major participants, and types of transactions and settlements dates.
- IV. The foreign direct investment, international capital budgeting, international capital structure and cost of capital and international portfolio management.

### III. COURSE OUTCOMES:

**At the end of the course students should be able to:**

- CO1 Illustrate the International Business Methods, their recent changes and challenges in international financial management for establishing the new operations in foreign countries.
- CO2 Analyze the concept of BOP and international flow of funds to learn about countries economic growth.
- CO3 Describe the structure and types of the Forex markets, and quotations for the transfer of purchasing power among countries.
- CO4 Identify the exchange rate markets to determine a nation's economic health.
- CO5 Measure the exchange rate movements and their relationships to analyze the economic status of the Nation.
- CO6 Apply the assets – liability management Techniques to enhance the profit and net worth of a company.

#### **IV. COURSE CONTENT:**

##### **MODULE-I-INTRODUCTION (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.

##### **MODULE -II-INTERNATIONAL FLOW OF FUNDS (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).

##### **MODULE -III-FOREIGN EXCHANGE MARKET (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.

##### **MODULE -IV-EXCHANGE RATES (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.

##### **MODULE -V-ASSET-LIABILITY MANAGEMENT (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.

#### **V. TEXT BOOKS:**

1. P G Apte, Sanjeevan Kapshe, "International Financial management", 8<sup>th</sup> edition in 2020.
2. Thummuluri Siddaiah, "International Financial Management an Analytical Framework", 3<sup>rd</sup> edition, 2018.
3. Apte "International Financial Management", 8<sup>th</sup> edition, 1-7-2017.
4. Bahuguna Pallavi. "International Financial Management", 8<sup>th</sup> edition, in 2016.
5. Cheol S. Eun "International Financial Management", 27-7-2017.
6. Jeff Madura, "International Corporate Management," Cengage Learning, 2<sup>nd</sup> edition, 2012.

#### **VI. REFERENCE BOOKS:**

1. Sharan. V, "International Financial Management" PHI Publications, 5<sup>th</sup> edition, 2012.
2. P. G. Apte, "International Financial Management", TMH publications, 3<sup>rd</sup> edition, 2012.
3. Madhu Vij, "International Financial Management", Excel Publications, 4<sup>th</sup> edition, 2012.

#### **VII. WEB REFERENCES:**

1. [https://en.wikipedia.org/.../Journal\\_of\\_International\\_Financial\\_Management\\_and\\_Accounting.1467-646X](https://en.wikipedia.org/.../Journal_of_International_Financial_Management_and_Accounting.1467-646X) web.
2. <https://www.cengage.co.in/.../finance/international-financial-management/international-financial-management>.

### **VIII. E-TEXT BOOKS:**

1. <https://www.indiaclass.com/financial-management-reference-books>.
2. <https://www.loc.gov/rr/business/bera/issue7/finance.html>.
3. [https://www.amazon.in/dp/b00k7yg378/ref=cm\\_sw\\_r\\_apan\\_glt\\_d3cptz93t5w5tfd9cwpy?\\_encoding=utf8&psc=1](https://www.amazon.in/dp/b00k7yg378/ref=cm_sw_r_apan_glt_d3cptz93t5w5tfd9cwpy?_encoding=utf8&psc=1).
4. [https://www.amazon.in/dp/b00k7yg378/ref=cm\\_sw\\_r\\_apan\\_glt\\_d3cptz93t5w5tfd9cwpy?\\_encoding=utf8&psc=1](https://www.amazon.in/dp/b00k7yg378/ref=cm_sw_r_apan_glt_d3cptz93t5w5tfd9cwpy?_encoding=utf8&psc=1).
5. [https://www.amazon.in/dp/b00k7yg378/ref=cm\\_sw\\_r\\_apan\\_glt\\_d3cptz93t5w5tfd9cwpy?\\_encoding=utf8&psc=1](https://www.amazon.in/dp/b00k7yg378/ref=cm_sw_r_apan_glt_d3cptz93t5w5tfd9cwpy?_encoding=utf8&psc=1).