

INTERNATIONAL FINANCIAL MANAGEMENT

IV Semester: MBA								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
CMBC54	Elective	L	T	P	C	CIA	SEE	Total
		4	-	-	4	30	70	100
Contact Classes: 45		Tutorial Classes: Nil		Practical Classes: Nil			Total Classes: 45	
<p>I. COURSE OVERVIEW: This course is concerned with the international financial management of the firms that operate in the increasingly globalized business environment. Emphasizing broad concepts and real-world practices like balance of payment and Indian BOP trends and international monetary system. The course study about exchange rate movement, interest rates and purchasing power parity.</p> <p>II. COURSE OBJECTIVES: The students will try to learn:</p> <ol style="list-style-type: none"> I. The overview, importance, nature and scope of international financial management. II. Fundamentals of BOP, accounting components of BOP, factors affecting and international trade flows. III. Functions and structure of the FOREX markets, major participants, and types of transactions and settlements dates. IV. Exchange rate movement and purchasing power parity and theory. V. Foreign direct investment, international capital budgeting, international capital structure and cost of capital and international portfolio management. <p>III. COURSE OUTCOMES: After successful completion of the course, students will be able to:</p> <ul style="list-style-type: none"> CO 1: Summarize various international business methods and recent changes and challenges in international financial management utilize in order to benefit in business. CO 2: Examine the Balance of Payments (BOP) data and determine its implications for international competition. CO 3: Analyze the Indian BOP trends and Remember the Bretton Wood's system and utilize it for business implications. CO 4: Evaluate the floating rates and current exchange rate and understand economic monetary union for financial decision making. CO 5: Examine the structure of FOREX markets, major participants, useful for transactions and settlements. CO 6: Analyze the process of arbitrage and currency futures and options markets for utilize for international trade in stock market. CO 7: Explain translation, transaction, and economic exposure to exchange rate changes and interest rate risk impact on financial decision making in the international business arena. CO 8: Forecast exchange rates based on the parity conditions that should apply between interest rates and exchange rates, interest rate parity. CO 9: Analyze the foreign direct investment, capital budgeting and international capital structure and cost of capital for implementation in business projects. CO 10: Describe all methods about international trade and financial instruments and EXIM policy regulations and guidelines applicable in growth of business. 								
IV. SYLLABUS								
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
<p>Balance of Payments (BOP), fundamentals of BOP, Accounting components of BOP, factors affecting international trade flows, agencies that facilitate international flows. Indian BOP trends.</p> <p>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).</p>		
UNIT-III	FOREIGN EXCHANGE MARKET	Classes: 09
<p>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.</p> <p>Currency futures and options markets, overview of the other markets, Euro currency market, Euro credit market, Euro bond market, international stock market.</p>		
UNIT-IV	EXCHANGE RATES	Classes: 09
<p>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.</p> <p>Relationship between inflation, interest rates and exchange rates, purchasing power parity, international Fisher effect, Fisher effect, interest rate parity, expectations theory.</p>		
UNIT-V	ASSET-LIABILITY MANAGEMENT	Classes: 09
<p>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 financing methods, export and import bank of India, and recent amendments in EXIM policy, regulations and guidelines.</p>		
Text Books:		
<ol style="list-style-type: none"> 1. P G Apte, Sanjeevan Kapshe, "International Financial management", 8th Edition, 2020. 2. Thummuluri Siddaiah, "International Financial Management an Analytical Framework", 3rd Edition, 2018. 3. Apte, "International Financial Management", 8th Edition, 2017. 4. Bahuguna Pallavi, "International Financial Management", 8th Edition, 2016. 5. Cheol S. Eun "International Financial Management", 27-7-2017. 6. Jeff Madura, "International Corporate Management", Cengage Learning, 2nd Edition, 2012. 7. Alan C. Shapiro, "Multinational Financial Management", John Wiley publications, 5th Edition, 2012. 8. S. Eun Choel and Risnick Bruce, "International Financial Management", TMH, 4th Edition, 2012. 		
Reference Books:		
<ol style="list-style-type: none"> 1. Sharan. V, "International Financial Management" PHI Publications, 5th Edition, 2012. 2. P. G. Apte, "International Financial Management", TMH publications, 3rd Edition, 2012. 3. Madhu Vij, "International Financial Management", Excel Publications, 4th Edition, 2012. 		
Web References:		
<ol style="list-style-type: none"> 1. 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. 		
E-Text Books:		
<ol style="list-style-type: none"> 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. 4. https://www.amazon.in/dp/B00K7YG378/ref=cm_sw_r_apan_glt_D3CPTZ93T5W5TFD9CWPY?encoding=UTF8&psc=1. 		

oding=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)