GANPAT UNIVERSITY

FACULTY OF MANAGEMENT STUDIES

Programme	Master of Business Administration	Branch/Spec.	Finance/ International Business
Semester	IV	Version	1.0.0.1

Effective from *Academic* Year	2021-22	Effective for the batch Admitted in	June 2020
Subject code	**2IVA06IFM**	Subject Name	**INTERNATIONAL FINANCIAL MANAGEMENT**

Teaching scheme						Examination scheme (Marks)			
(Per week)	Lecture(DT)		Practical(Lab.)		Total		CE	SEE	Total
	L	TU	P	TW					
Credit	4	0	0	0	4	Theory	60	40	100
Hours	4	0	0	0	4	Practical	-	-	-

Pre-requisites:

Objectives

To impart an understanding of the global corporate financial management environment with tools and techniques of financial decision-making.

Learning Outcome:

- 2IVA06IFM.CO1: Understand the international financial markets, Eurocurrency markets, and balance of payments, and assess the responsibilities of a finance manager in a global setting.
- 2IVA06IFM.CO2: Discuss the structure and operations of foreign exchange markets, exchange rate determination and forecasting theories, and apply risk management techniques using derivatives to mitigate foreign exchange exposure.
- 2IVA06IFM.CO3: Implement the optimal financial structures for multinational enterprises and analyze international financing options, including debt, equity, and derivative instruments, to manage interest rate and currency risk.
- 2IVA06IFM.CO4: Evaluate foreign investment decisions, multinational capital budgeting, and international portfolio diversification, and apply knowledge of foreign trade procedures and instruments, including letters of credit and FDI/FII regulations in India.

Theory syllabus

Unit	Content	Hrs
1	Global financial environment: Overview: IMF: objectives, functions. Euro currency market. Money market, capital market: Relationship with domestic markets. Role of Finance Manager in the Global context. Balance of Payments: understanding, analysis and inte rpretation.	10
2	Foreign exchange Market: Nature, structure, types of transactions, exchange rate quotations, hey hey spot and forward; Arbitrage. Foreign exchange market in India: nature, structure, operations, and limitations. Exchange rate determination, forecasting, theories: Purchasing power parity, Interest rate parity etc. Foreign Exchange risk exposure: Types of risk: Economic and translations. Accounting treatment: tax treatment of gains and losses. Exchange Risk reduction: techniques: applications and their limitations. The Risk Management Process: Hedging, Swaps, Futures, Options, Types of Derivatives, Role of SEBI. Relationship of Money market and foreign exchange market.	20
3	Financial structure and International financing: Optimal financial structure and MNE and their foreign subsidiaries; Eurocurrency markets; International debt markets; Management of interest rate risk: interest rate options, currency options etc. Bond Financing (Fixed and Floating Rate Notes), Loan Financing (Syndicates Loans), Equity Financing (GDR and ADR), Features of Loan Agreements: Loan Negotiations	15
4	Foreign investment decisions: Multinational capital budgeting; International portfolio theory and diversification; Repositioning of funds; Working capital management in MNE. FDI and FII in India. Foreign Trade Contracts & Procedures: International Commercial Terms-	15

	Incoterms, Letters of Credit - Meaning and Mechanism, Types of Letters of Credit, Operation of a Letters of Credit, Export-Import Bank of India.	
Practical content		

Text Books	
1	Shapiro- *Multinational Financial Management* (Prentice-Hall, 4th edition) 2002.
Reference Books	
1	Apte- *International Financial Management* (Tata McGraw-Hill, 2002) 8th ed.
2	Eiteman et al- *Multinational Business Finance* (Pearson Education) 2004,
3	Shapiro- *Multinational Financial Management* (Prentice-Hall, 4th edition) 2002.
4	Sharan- *International Financial Management* (Prentice-Hall, 2nd edition) 2003.
5	Vij M-*International Financial Management* (Excel books) *,2003.*
6	Gupta, S.L.- *Financial Derivatives : Theory , Concept and Problems* , PHI.
7	Hull- *Options, Futures and other Derivatives*, Pearson.
8	Vohra, N.D. and Bagri, B.R.- *Futures and Options* , TMH.
9	David A. Dubofsky and Thomas W. Miller , J.R.- *Derivatives : Valuation and Risk Management*, Oxford

Note:
Version 1.0.0.0 (First Digit= New syllabus/Revision in Full Syllabus, Second Digit=Revision in Teaching Scheme, Third Digit=Revision in Exam Scheme, Forth Digit= Content Revision)
L=Lecture, TU=Tutorial, P= Practical/Lab., TW= Term work, DT= Direct Teaching, Lab.= Laboratory work CE= Continuous Evaluation, SEE= Semester End Examination

Mapping of CO with PO and PSO:

Semester 4: Course Name:2IVA06IFM INTERNATIONAL FINANCIAL MANAGEMENT							
Course outcomes	**PO1**	**PO2**	**PO3**	**PO4**	**PO5**	**PO6**	**PO7**
2IVA06IFM.CO1	3	2	0	3	0	2	0
2IVA06IFM.CO2	3	3	0	2	1	1	1
2IVA06IFM.CO3	3	3	1	2	1	1	2
2IVA06IFM.CO4	3	3	2	3	1	2	2

Semester 4: Course Name: 2IVA06IFM INTERNATIONAL FINANCIAL MANAGEMENT			
Course outcomes	**PSO1**	**PSO2**	**PSO3**
2IVA06IFM.CO1	2	1	2
2IVA06IFM.CO2	2	2	3
2IVA06IFM.CO3	2	2	3
2IVA06IFM.CO4	3	2	3