

# 17MB215 International Financial Management

## Objective of the Course:

The objective of the course is to provide the students with an understanding of financial markets, major institutions involved, the framework for these institutions etc. The prerequisite for the course is financial accounting and analysis and financial management

## UNIT-I (10 hours)

**International Financial Management:** An overview of IFM, International Flow of Funds -Balance of Payments (BOP), Fundamentals of BOP, Accounting components of BOP, Factors affecting International Trade flows, Agencies that facilitate International flows.

## UNIT-II (8 hours)

**International Monetary System:** Evolution, Gold standard, Bretton woods system, flexible exchange rate regime, the current exchange rate arrangements, EMU.

## UNIT-III (10 Hours)

**Foreign Exchange Market:** Function and Structure of the Forex markets, major participants, types of transactions and settlements, FE Quotations, Speculation in forward markets, Foreign Currency Derivates.

## UNIT- IV (12 hours)

**Exchange Rates:** Measuring exchange rate movements, Factors influencing exchange rates. Government influence on exchange rates - exchange rate systems, Relationship between inflation, interest rates and exchange rates – PPP, IFE theories.

## UNIT-V (10 Hours)

**International Investments:** Foreign Direct Investment, International Capital Budgeting, Working Capital Management in MNC's International Capital structure and cost of capital..Payment methods of international trade, trade finance methods.

## Skill Development:

*(These activities are only indicative, the Faculty member can innovate)*

1. Read any two related international treaties & write a report.
2. Follow any latest cross-border merger and evaluate its outcomes.
3. Work out on cross-currency valuations.
4. Evaluate the role of any two International Agencies.
5. Bring out the role of GST in being tax guardian to end-users.

## Textbooks:

1. Jeff Madura, International Financial Management, 6th edition, Thomson Publications.
2. P.G.Apte, International Financial Management, Tata McGraw-Hill, New Delhi, 2004.
3. Alan C.Shapiro, Multinational Financial Management, 4/e, Prentice Hall India Private Ltd, 2004.

**Reference Books:**

1. Maurice D.Levi, International Finance, 3rd edition, Tata Mc Graw-Hill, New Delhi, 2003.
2. S.Eun Choel and Risnick Bruce, International Financial Management, Tata Mc Graw Hill, 2001.
3. David K. Eiteman, Arthur I.Stonehill and Michael H.Moffeth, Multinational Business Finance, 10th edition, Pearson Education 2004.
4. P.K Jain, Josette Peyrard and Surendra S. Yadav, International Financial Management, Macmillan Publishers, 2001.
5. Prakash G. Apte, International Finance A Business Perspective, Tata McGraw-Hill Publishing Co. Ltd., 2003.
6. Adrian Buckley, Multinational finance, Third Edition, Prentice-Hall of India Pvt. Ltd., 2001. Melvin: International Money and Finance 7/e Pearson Education.