

ST. JOSEPH'S DEGREE & PG COLLEGE

(Autonomous), Affiliated to Osmania University

DEPARTMENT OF BUSINESS MANAGEMENT

SEMESTER-VI

BBA, BBA (IT), BBA (BA), BBA(FM) & BBA (ENTREPRENEURSHIP)

INTERNATIONAL FINANCIAL MANAGEMENT

DSE

w.e.f. 2020-2021 AY

SCHEME OF INSTRUCTION

Hours per Week : 5 Hrs.

Credits : 5

Instruction Mode : Lecture

Course Code : BM.07.301.23BT

SCHEME OF EXAMINATION

Maximum Marks : 100

Internal Assessment : 40

External Examination : 60

External Exam Duration : 3 Hrs

Course Objective: The objective of the course is to provide an understanding of both the key features of foreign exchange markets and the actual problems of multinational corporation within an environment of free flows of foreign capital and floating exchange rates

Course Outcomes: On successful completion of this course, the students will be able:

CO1: To recognize the Concept of Foreign Exchange Markets.

CO2: To Apply the Concept of International Parity Relations.

CO3: To analyze the Risk and Management of Risk in international Financial Management.

CO4: To apply the derivatives for Risk Management with special Reference to Currency.

CO5: To give the Concept of International Tax Management.

Unit I: Foreign Exchange Market

Participants in foreign exchange market, structure of foreign exchange market in India; quotes in spot market and forward market, triangular arbitrage; nominal effective exchange rate (NEER), real effective exchange rate (REER) including Numerical Problems

Unit II:- International Parity Relationships

Parity Conditions- Purchasing Power Parity, Interest Rate Parity (including Numerical Problems) International Fisher Effect, Unbiased Forward Rate Theory. International debt crises and currency crises-Asian currency crisis, Greek debt crisis



Unit III:- Risk Management in MNCs

Types of risk-currency risk, transaction exposure, translation exposure, accounting standard for translation exposure in India, economic exposure and assessment; interest rate risk, country risk assessment-political risk, financial risk.

Unit IV :-Derivatives

Meaning of Derivatives, participants in derivative Market Currency derivatives-forwards, futures, forward rate agreement, options. (Simple Problems in valuation of Forwards, Futures and Options-In the Money, At the Money, Out of the Money)

Unit - V: Tax Management

Types of tax-income tax, withholding tax, Goods and Services Tax, Tobin tax; taxation methods- worldwide approach, territorial approach; tax havens, offshore financial centers, re invoicing centre

Text Book:

1. O P Agarwal International Financial Management 3rd Edition 2014 HPH

Reference Books:

1. Gupta Shashi K., Rangi Praneet ,International Finance 2nd Edition 2017, Kalyani Publishers
2. Eun C.S., Resnick B.G., “International Financial Management”, 2010, Tata McGraw Hill Education Pvt. Ltd., 4th Ed. Special Indian Edition
3. Shailaja G, “International Finance”, 2010, 2nd Ed. Orient Black’swan.
4. Hendrik Van den Berg, “International Finance and Open Economy Macro Economics”, 2009, 1st Ed. Cambridge.
5. Sharan V., “International Financial Management”, 2009, 5th Ed. PHI, EEE.
6. Madura J., “International Financial Management”, 2010, 4th Ed. Cengage Learning.
7. Apte P.G., “International Finance”, 2008, 2nd Ed. McGraw Hill.
8. Madhu Vij, “International Financial Management”, 2010, 3rd Ed. Excel Books.
9. Vyuptakesh Sharan, International Financial Management, , 4th Ed, 2006, PHI Learning Pvt. Ltd.