

MBA426: INTERNATIONAL FINANCIAL MANAGEMENT

Teaching Scheme	Examination Scheme
Lectures: 4 hrs./Week Tutorials: 1 hrs./Week Credits: 4	Class Test -12Marks Teachers Assessment - 6Marks Attendance – 12 Marks End Semester Exam – 70 marks

Course Objectives:

- To focuses on the theoretical and practical knowledge required for the management of financial and investment functions of multinational corporations.
- To discover how the international capital markets, foreign exchange markets
- To learn about derivatives market can be used to manage transaction and operating risks facing the multinational firm.
- To learn through hands-on case studies and empirical evidence how to manage multinational companies' investment and financing activities.
- To understand relevance of country risk and international corporate governance in cross-border investments will also be examined.
- To manage of opportunities and risk relating to international investments, exchange rate fluctuations, international financial markets and government policy changes.

Hours: 40

Unit I (10 Hours): Environment of international Finance Importance of international finance; The determination of exchange rates and Balance of payments; The international monetary system; International financial markets and instruments.


Unit II (10 Hours): The Foreign Exchange Markets The foreign exchange market; The foreign exchange market in India; Purchasing power parity theory; Interest rate parity theory; currency forecasting.

Unit III (10 Hours): Currency Derivatives Forwards; Currency options; Currency futures; Special financial vehicles; Interest rate and currency swap.

Unit IV (10 Hours): Foreign Exchange Risk and management Foreign exchange risk and exposure management; measuring and managing transaction and translation exposure; Measuring and managing economic exposure; Management of interest rate exposure. Global

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Financial management International Portfolio investment; Financing of international trade; International working capital management; International project appraisal.

Suggested Readings:

1. Eitman, David K., Stonehill, Arthur, Moffet, Michael H., Multinational Business Finance, Pearson Education, 2007
2. Madura, Jeff, International Corporate Finance, Cengage (Thomson) Learning, 2007
3. Levi, Maurice, D., International Finance (2nd Ed), McGraw Hill, 1990
4. Shapiro, Alan, C., Multinational Financial Management, 8th ed. Wiley
5. Apte, P.G., International Financial Management, Tata McGraw Hill, 2006

COURSE OUTCOMES : After completion of this course, the student will be able to

COURSE OUTCOMES DESCRIPTION	
CO1	Able to understand international capital and foreign exchange market
CO2	Able to identify and appraise investment opportunities in the international environment
CO3	Able to Identify risk relating to exchange rate fluctuations and develop strategies to deal with them.
CO4	Able to Identify and evaluate foreign direct investment and international acquisition opportunities.
CO5	Able to develop strategies to deal with other types of country risks associated with foreign operations.
CO6	Ability to express well considered opinion on issues relating to international financial management

Employable Skills	Measuring Tools
Ability to identify and apply the knowledge of subject practically in real life situations	Exercise Workshop Quiz Classroom Discussions


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