

International Finance

Course Objectives

The objective of this course is to provide a good understanding about international financial environment and international financial markets. The course would ensure that the students would acquire sound knowledge about exchange rate and currency risk management system.

Syllabus

International financial environment-financial transaction- Balance of payment-foreign exchange market-International monetary system-currency crisis-exchange rate- currency risk management- International financial markets-Financing international trade

Expected Outcome

On completion of the course, the students are expected to be familiar with the concepts and framework of International Financial markets, Foreign exchange markets and monetary system.

Units Topics

1 International Financial Environment-Global Economy-Financial Globalization Experiences from India-Functions of International Financial Manager-International financial Transaction- Balance of Payment, Meaning, structure- International Monetary System- Evolution of International Financial System- Evolution of International financial Institutions bilateral agencies- Emergence of International Banks- Euro Banks- Bank for International Settlements (BIS)-IMF

2 Foreign Exchange Market: Forex market- trading Volume of foreign exchange market- Evolution of foreign exchange market and foreign exchange system- foreign exchange rates- types of foreign exchange transaction -Types of Forex market participants-Hedger- speculator- Arbitrageurs-Forex Market in India-RBI intervention in Forex Market-

First Internal Examination

3 International Monetary system: Introduction to International monetary system- gold standard- paper currency standards and purchasing power parity- Bretton Woods system- Exchange rate – fixed and Floating- Currency Board system-Basket system- Currency Risk Management.

4 Exchange Rates- Introduction-Purchasing power parity-Interest rate parity-Fisher effect- International parity conditions and Indian foreign exchange market integration- Exchange rate forecasting- Foreign exchange contract-Spot Forex transaction-forward Forex transaction-Forex future contract-Foreign currency swap-foreign currency option-Forex transaction in India-

Second Internal Examination

5 International Financial Markets:- Introduction-participants of International financial Markets- International Financial institutions-Euro market- International Equity Market and Indian ADRs and GDRs -International Bond market-Types of International Bond market- Bonds issued by Indian companies- Financing international trade- Letters of Credit- Pre and Post Shipment Export Finance- Export Credit Insurance

Final Examination