

FIN656:INTERNATIONAL BANKING AND FOREX MANAGEMENT

Course Outcomes: Through this course students should be able to

CO1 :: understand the dimensions of international banking

CO2 :: establish legal and regulatory issues in international banking institutions

CO3 :: demonstrate foreign exchange market operations

CO4 :: analyze and understand the way in which the international financial system operates

Unit I

International banking : global trends and developments in international banking, international financial centres, offshore banking units, sezs, profitability of international banking operations, correspondent banking and inter -bank banking, investment banking, wholesale banking, retail banking, merchant banking, international financial institutions, legal and regulatory aspects, risk management

Unit II

International finance : fundamental principles of lending to mncs, documentation and monitoring, international credit policy agencies and global capital markets, raising resources:, project and infrastructure finance, financing of mergers and acquisitions

Unit III

Foreign exchange business : foreign exchange management act (fema), foreign exchange management philosophy, different types of exchange rates, RBI and FEDAI role in regulating foreign exchange, rules regarding rate structure, cover operations, dealing room activities and risk management principles, correspondent bank arrangements, nri customers various banking and investment products available under fema, remittance facilities

Unit IV

International trade : regulations covering international trade, various aspects of international trade, government policies, DGFT and their schemes, customs procedures, banks' role in implementing these policies and schemes, wto-its impact, balance of payment, balance of trade, current account and capital account convertibility, documents used in trade, role of banks in foreign trade, letters of credit, exchange control relating to foreign trade, import and export finance, laws governing trade finance, role of EXIM bank, risks involved in foreign trade finance

Unit V

Derivatives : treasury operations of banks and corporates, derivatives as hedging instruments, RBI rules and guidelines regarding derivatives, mathematics of derivative valuation and pricing, risk assessment of derivatives

Unit VI

Contemporary issues : lessons from recent crisis in derivatives market, crude oil relationship with foreign exchange, countries holding foreign exchange reserves, impact of federal policy decision on forex valuations, India economic crises of early nineties, crypto currency and its challenges

Text Books:

1. INTERNATIONAL BANKING by P. SUBRAMANIAN, MACMILLAN

References:

1. INTERNATIONAL BANKING OPERATIONS by B. Y. OLKAR, A. K. TRIVEDI, A. K. PATWARDHAN, A. R. PAWSE, MACMILLAN