

International Finance

Course Project Outline

Project Introduction

The project is actually designed to develop the research capability of the study and also make them understand how the theories are implemented in real world adjustment. Moreover, this project help to understand how the concepts are practically implemented. The research scholars will be able to understand the research dynamics of international finance

What to do

The students are required to take 5 currencies real data of about 1 year on daily frequency. Each research scholar needs to analyze data based on the theories studied in order to identify which theory is applicable and which is not and how that theory can be modified for the further development in the international finance.

Requirements

The students are required to address the following aspects

- Take the data of five currencies of about 1 year in respect of considering the Pak rupee as home currency.
- Test the Purchasing power parity, interest rate parity, and IFE concept on each currency.
- Identify whether the theories are applicable or not based on the comparison with the forward rates.
- Critically evaluate the applicability of each and theory and if any theory is not applicable in market then scholar need to propose some alternate or modified form of theory then can have better applicability
- The proposed modification of theory must have literature support. Scholar need to address it with literature
- Scholar need to debate how these theories are applicable to currency derivate. Does they can predict something in derivative market
- Critically analyze the prospects of currency derivative market in Pakistan

Deliverables

- Pilot study
- Presentation (15 minutes)