

**DISCIPLINE SPECIFIC ELECTIVE COURSE**  
**DSE - I (Finance)**

BBA III Year	BBA-E501/601		Semester-VI		
	International Finance				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
<b>3 Hrs.</b>	<b>30 (20+10)</b>	<b>70</b>	<b>100</b>	<b>06</b>	<b>60</b>

**OBJECTIVES:** The objective of this paper is to equip the students with the techniques that can help them in managing the financial issues in international environment. This course will help them to manage MNCs in more effective manner.

- Introduction: concept of International trade, types of international trade, International Finance and differences among them. Theories of International trade, Balance of payments (of India) Characteristics of international Foreign Markets. **(15 Hours)**
- Foreign Exchange Management: Forex market – Wholesale and Domestic market, Market makers-, Market segments Quotations direct, indirect and cross Rates; various kinds of transactions and their settlement dates, Arbitrage- two point arbitrage, triangular arbitrage, Forward Rates and Future Spot Rates; Early delivery, extension or cancellation of Forward contracts, power parity and Interest rate parity. **(15 Hours)**
- Foreign Exchange Exposures and Risk: Foreign Exchange exposure, foreign risk, types of exposure, Operating Exposure, Product and market strategy, translation or accounting Exposure, Translation Methods: Current/noncurrent methods, monetary/nonmonetary methods, temporal method, Transaction Exposure, Designing a Hedging Strategy, Measuring and managing Economic Exposure- Foreign Exchange Risk and Economic Exposure, Identifying Economic Exposure, Transfer Pricing and Tax Evasion, Issue of GDR, ADR Euro bonds and foreign bonds, The Hedge ratio: types of Hedging. **(15 Hours)**
- Foreign Investment: Foreign Direct investment, Foreign investment in India, Indian depository receipts, Foreign investment by Indian Companies International Portfolio Theory- The Markowitz Portfolio Model, The Capital Asset Pricing Model, International Portfolio Diversification, International Bond Investing, International project appraisal- IRR and APV methods; Managing Political Risk- Measuring Political Risk, Country Risk Analysis, Managing Political Risk, Post- expropriation Policies. Multinational Working Capital Management: Current Asset Management for the Multinational- International Cash Management, Accounts Receivables Management, Inventory Management. **(15 Hours)**

**SUGGESTED READINGS:**

1. Anthony, S.& Cornett, M.M. (2007). Financial Markets and Institutions (3<sup>rd</sup>ed.).New Delhi: Tata McGraw Hill.
2. Goel, S. (2012). Financial services. New Delhi: PHI.
3. Gurusamy, S. (2010). Financial Services. New Delhi: TMH.
4. Khan, M Y. (2010). Financial Services (5th ed.). New Delhi: McGraw Hill Higher Education.
5. Shahani, R.(2011). Financial Markets in India: A Research Initiative. New Delhi: Anamica Publications.
6. Case Study: Agrawal, A., Joshi, M., Ansari, N., Tyagi, S. and Agrawal, V. (2018). Case Study In Management: The Indian Context. Delhi: Misha Books.

**NOTE:** The list of cases, specific references and books including recent articles will be announced in the class by concerned teachers from time to time