

<b>BBA III Year</b>	<b>BBA-E530/630</b>		<b>Semester-V/VI</b>		
	<b>Multinational Business Finance</b>				
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>

**OBJECTIVE:** The course has been designed to familiarize the students with International Monetary System and Financial Institutions. Functioning of the Foreign Exchange Markets and Financial Management of a multinational firm will be the essential component of this course.

- Multinational Business Finance – MNCs (Multinational Corporations) and transnational corporations, Difference between domestic and International financial management, Motivations for International finance. International Monetary System - The Gold standard, The Bretton Woods system, the flexible exchange, alternative exchange rate system, the European monetary system, Euro and its implications for Indian banking, International Financial Institutions – International Monetary Fund (IMF), Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD), Bank for International Settlement (BIS) and Organization for Economic Cooperation and Development(OECD). **(15 hours)**
- The Foreign Exchange Markets: Introduction, types: Global and Domestic market, spot market and forward market; rates: direct and indirect quotations, bid-ask spread; Functions of the Foreign Exchange Markets; determination of forward premiums and discounts, interest arbitrage – covered interest arbitrage and interest parity theory –forecasting of foreign exchange rates. **(15 hours)**
- Financial management of the Multinational Firm – Cost of Capital and Capital Structure of a Multinational Firm – determining capital structure components, Cost of capital for MNCs (Multinational Corporations) and Domestic Firms, Multinational capital budgeting– Problems and issues in foreign investment analysis. **(15 hours)**
- Payment Systems: Payment terms and financing international trade, international flow of funds and portfolio investment in India, FDI (Foreign Direct Investment) vs. FIIs(Foreign Institutional Investors), investment strategies of FIIs in India, FIIs and volatility, impact of FIIs investment on stock markets and public policy. Netting (with numerical), pooling, leading and lagging as international payment settlement. **(15 hours)**

**SUGGESTED READINGS:**

1. Shapiro, A.C. (1995). Multinational Financial Management. Delhi: Prentice HallIndia.
2. Eiteman, D.K. Stonehill, A. I., & Moffett, M. H. (2001). Multinational Business Finance (9<sup>th</sup>ed.). NY: AddisonWesley.
3. Buckley, A. (2004). Multinational Finance (5th ed.). New Delhi: PearsonEducation.
4. Vij, M. (2010). International Financial Management (3rd ed.). New Delhi: ExcelBooks.
5. Levi, M. (1996), International Finance. New York: McGraw HillInc.
6. Kevin,S.(2009), Fundamentals Of International Financial Management. PHI Learning
7. Madura,J.(2009).InternationalFinancialManagement(10thed.).NewDelhi,Cengage Learning.

**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.