

MBE II Year		MBE-E313/413		Semester-III/IV		
		International Financial System and Markets				
Total Lectures	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>40</b>	<b>3 Hrs.</b>	<b>30</b>	<b>70</b>	<b>100</b>	<b>03</b>	<b>40</b>

**OBJECTIVE:** The objective of this paper is to provide students knowledge of international financial system, markets and operations, and also to acquaint them with the macro environment in which the international financial transactions are conducted.

- Introduction to International Financial System: International Monetary System: Features and requirements; System of exchanging currencies – From Bretton Woods system to free float and convertibility; Pegging of currencies –target zone arrangement; European monetary system; International liquidity. **(8 hours)**
- Foreign Exchange Markets and its Activities: Exchange rate quotations and practices; Foreign exchange market activities; Arbitrating, hedging and speculation. **Case Study1** :Currency Arbitrage **(8 hours)**
- Exchange Rate Determination: Exchange rate determination in spot and forward market – Interest rate parity (IRP), purchasing power parity, Fisher open equation Monetary and portfolio balance approaches; Short run demand and supply theory, BOP theory, and growth theory; Forecasting exchange rate. **Case Study2**: Analyzing the balance of payment position of India. **(8 hours)**
- International Financial Markets and Instruments: Changing scenario; International capital and money market instruments; International development banking; Euro – currency markets; International securities markets and instruments .Bond and notes market; equity market, GDR, ADR, EDR and IDR; Integration of financial markets and approach; Role of financial intermediaries; Financialswaps. **(8 hours)**
- International Debt Problem: Problem of debt servicing and developing countries(with special reference to India). **(8 hours)**

#### **SUGGESTED READINGS:**

1. Apte, P. G.( 1998). *Multinational Financial Management*, Tata.McGraw Hill, NewDelhi.
2. Baker, J.C.( 1998). *International Finance: Management, Markets and Institutions*. Prentice Hall,NeDelhi.
3. Eitemean, D.K., Stonehill, A., and Moffett, M.H., (1998). *Multinational Business Finance*. Addison.Wesley Publishing Company, USA.
4. Levi & Maurice ( 1996). *International Finance*, McGraw Hill Inc., NewYork.
5. Kevin,S.(2009), *Fundamentals Of International Financial Management*. PHI Learning.
6. Seth, A.K. (2000). *International Financial Management*, Galgotia Publishing Company, NewDelhi.
7. Shapiro,AllenC. (1995). *Multinational Financial Management*,Prentice Hall of India Pvt Ltd.,NewDelhi.
8. Sharan, V. (2000). *International Financial Management*, Prentice Hall of India Private Ltd. NewDelhi.
9. **CaseStudy1**:<https://nebula.wsimg.com/86614b44134ed2231231d1ac8a7f2b5a?AccessKeyId=A83663472B839ECDD54B&disposition=0&alloworigin=1>
10. **CaseStudy2**:[https://www.researchgate.net/publication/318529330\\_Analyzing\\_the\\_Balance\\_of\\_payment\\_position\\_of\\_India](https://www.researchgate.net/publication/318529330_Analyzing_the_Balance_of_payment_position_of_India)

**NOTE: The list of cases and specific references including recent articles will be announced in the class**