



# GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration, 4<sup>th</sup> Semester

Functional Area Specialization: Finance Management

Subject Name: International Finance (IF)

Subject Code: 4549221

With effective  
from academic  
year 2018-19

## 1. Learning Outcomes:

Learning Outcome Component	Learning Outcome (Learner will be able to)
Business Environment and Domain Knowledge (BEDK)	<ul style="list-style-type: none"> <li>• <i>Discuss</i> the international financial environment in the context of international fund flows, international financial markets and international financial agencies; and how they affect multinational operations.</li> </ul>
Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI)	<ul style="list-style-type: none"> <li>• <i>Analyse &amp; Evaluate</i> Foreign exchange quotes (Direct &amp; Indirect, Cross currency rate, difference between bid and ask rate) and <i>discuss</i> various types of currencies and terminologies related to it.</li> </ul>
Global Exposure and Cross-Cultural Understanding (GECCU)	<ul style="list-style-type: none"> <li>• <i>Evaluate</i> global financing strategies and propose solutions that will take advantage of opportunities in the global financial markets to the benefit of relevant stakeholders.</li> </ul>
Social Responsiveness and Ethics (SRE)	<ul style="list-style-type: none"> <li>• <i>Analyse</i> the various financing options available for companies and investors which can affect their balance sheet/ profitability.</li> </ul>
Effective Communication (EC)	<ul style="list-style-type: none"> <li>• <i>Evaluate</i> different risks associated in foreign exchange market and communicate their impact on foreign exchange transactions to the stake holders.</li> </ul>
Leadership and Teamwork (LT)	<ul style="list-style-type: none"> <li>• Collaborate in a team to analyze a case study to arrive at a sound financial decision regarding an issue in capital raising and international valuation.</li> </ul>

## Correlation Levels:

1 = Slight (Low); 2 = Moderate (Medium); 3 = Substantial (High), “-“= no correlation

Sub. Code: 4549221	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
<b>LO1:</b> • <i>Discuss</i> the international financial environment in the context of international fund flows, international financial markets and international financial agencies; and how they affect multinational operations.	3	2	2	-	3	-	-	1	1
<b>LO2:</b> <i>Analyse &amp; Evaluate</i> Foreign exchange quotes (Direct & Indirect, Cross currency rate, difference between bid and ask rate) and <i>discuss</i> various types of currencies and terminologies related to it.			3	3	2			1	2
<b>LO3:</b> <i>Evaluate</i> global financing strategies and	1	2	-	-	-	-	-	-	2



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propose solutions that will take advantage of opportunities in the global financial markets to the benefit of relevant stakeholders.									
<b>LO4:</b> <i>Analyse</i> the various financing options available for companies and investors which can affect their balance sheet/profitability.			<b>3</b>				<b>2</b>	<b>1</b>	
<b>LO5:</b> <i>Evaluate</i> different risks associated in foreign exchange market and communicate their impact on foreign exchange transactions to the stake holders.		<b>2</b>	<b>1</b>	<b>3</b>					
<b>LO6:</b> Collaborate in a team to analyze a case study to arrive at a sound financial decision regarding an issue in capital raising and international valuation.				<b>3</b>		<b>3</b>		<b>1</b>	

**2. Course Duration:** The course duration is of **40 sessions of 60 minutes each.**

### 3. Course Contents:

Module No:	Contents	No. of Sessions	70 Marks (External Evaluation)
<b>I</b>	<b>International Finance – Overview:</b> <ul style="list-style-type: none"> <li>Globalization and Multinational firm, (Theory)</li> <li>International Monetary System</li> <li>Balance of payment (Theory)</li> <li>Market for Foreign Exchange (Theory)</li> <li>International Parity Relationship &amp; Forecasting Foreign Exchange rate. (Theory &amp; Numerical)</li> </ul>	10	17
<b>II</b>	<b>Forward Exchange Arithmetic (Theory &amp; Numerical):</b> <ul style="list-style-type: none"> <li>Exchange Arithmetic</li> <li>Forward Exchange contracts, Forward Exchange rate based on Cross rates</li> <li>Interbank deals, Execution, cancellation, Extension of Forward contract</li> </ul>	10	18
<b>III</b>	<b>International Financial Markets &amp; Cash Management:</b> <ul style="list-style-type: none"> <li>International Banking &amp; Money market (Theory)</li> </ul>	10	17



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	<ul style="list-style-type: none"> <li>International Bond Market, LIBOR, (Theory)</li> <li>International Equity Market (ADR, GDR, EURO)</li> <li>Multinational Cash Management, (Theory)</li> </ul>		
IV	<p><b>International Contract &amp; Procedure:</b></p> <ul style="list-style-type: none"> <li>Letter of credit- Meaning &amp; Mechanism</li> <li>Types of letter of Credit</li> <li>Operation of Letter of Credit</li> </ul> <p><b>Managing Exposure:(Theory &amp; Numerical)</b></p> <ul style="list-style-type: none"> <li>Management of Economic Exposure</li> <li>Management of Transaction Exposure</li> <li>Management of Translation Exposure</li> </ul>	10	18
V	<p><b>Practical:</b></p> <ul style="list-style-type: none"> <li>Forming of Hedging with real time data from currency Exchanges</li> <li>Prepare a project of your choice using the theoretical fundamentals in above modules and also prepare a project report under the guidance of your subject teacher</li> </ul>	---	(30 marks CEC)

#### 4. Pedagogy:

- ICT enabled Classroom teaching
- Case study
- Practical / live assignment
- Interactive class room discussions

#### 5. Evaluation:

Students shall be evaluated on the following components:

A	<b>Internal Evaluation</b>	<b>(Internal Assessment- 50 Marks)</b>
	<ul style="list-style-type: none"> <li>Continuous Evaluation Component</li> </ul>	30 marks
	<ul style="list-style-type: none"> <li>Class Presence &amp; Participation</li> <li>Quiz</li> </ul>	10 marks 10 marks
B	<b>Mid-Semester examination</b>	<b>(Internal Assessment-30 Marks)</b>
C	<b>End –Semester Examination</b>	<b>(External Assessment-70 Marks)</b>

#### 6. Reference Books:

No.	Author	Name of the Book	Publisher	Year of Publication / Edition
1	P.G. Apte	International Financial Management	McGraw Hill	2017 / 7 <sup>th</sup>
2	Cheol S. Eun & Bruce G. Resnick	International Financial Management	McGraw Hill	2017 / 7 <sup>th</sup>
3	Jeff Madura	International Financial Management	Cengage	2015 / 12 <sup>th</sup>
4	Alan C. Shapiro	Multinational Financial Management	Wiley India	Latest
5	P. G. Apte	International Finance: A Business Perspective	McGraw Hill	2017 / 2 <sup>nd</sup>
6	V. Sharan	International Financial Management	PHI	2010 / 6 <sup>th</sup>



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Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

## **7. List of Journals / Periodicals / Magazines / Newspapers / Web resources, etc.**

1. Journal of International Financial Management and Accounting
2. Journal of Multinational Financial Management
3. Journal of Emerging Market Finance
4. International Finance (Magazine)
5. Global Finance (Magazine)
6. Economic Times
7. Business Standard
8. <https://fbil.org.in/>
9. <https://www.indexmundi.com/>