Malad Kandivli Education Society's
NAGINDAS KHANDWALA COLLEGE
OF COMMERCE, ARTS & MANAGEMENT STUDIES
AND SHANTABEN NAGINDAS KHANDWALA COLLEGE OF SCIENCE
(Re-accredited (3rd cycle) by NAAC with 'A' Grade)
ISO 9001 : 2015 Certified
Educational Excellence Award By Indus Foundation, U.S.A.
IMC Ramkrishna Bajaj National Quality Commendation Certificate
Autonomous (2016-17)

New Courses introduced

2017-18 to 2020-21

DR. (MRS.) ANCY JOSE
PRINCIPAL

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INTERNATIONAL FINANCE

T.Y.B.A.F

Semester – VI

(Implemented during academic year 2019-20)

Modules at a Glance

Sr. No.	Modules	No. of lectures
Module 1	Introduction to International Finance, BOP, International Monetary System, Foreign Exchange Transactions	**15**
Module 2	Foreign Exchange Market, Holgate's Principal and Arbitrage	**15**
Module 3	International Equity Market, Euro Currency Market, Indian Foreign Exchange Market	**15**
Module 4	Capital Budgeting, International project appraisal, International tax environment, Types of foreign exchange risks and hedging	**15**
		60

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Objectives:

1. To introduce learners concept of international finance with reference to BOP, International Monetary System, and Foreign Exchange Transaction.
2. To enable learners to get in depth knowledge of foreign exchange market and international equity market.
3. To make learner familiar with international tax environment.

Course Outcomes:

After completion of this course the learner will be able to:

CO1: Identify the key aspects of international trade and its potential gains to participating nations (Level: Understand)

CO2: Describe the characteristics of foreign exchange market and understand foreign exchange quotations to calculate the arbitrage (Level: Apply)

CO3: Analyse the Balance of payment situation of India (Level: Analyse)

CO4: Write rigorous correctness proofs for algorithms (Level: Apply)

CO5: Evaluate the cross-border investment opportunities and the management of international taxation (Level: Create)

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Detailed Syllabus

Module	Topic	No. of lectures
1.	**Introduction to International Finance, BOP, International Monetary System, Foreign Exchange Transactions**	15
	International Finance- Meaning and scope. BOP- Introduction, components, format, BOT vs. BOP, Accommodating and autonomous transactions, Capital account convertibility, FDI and FPI. Evolution of International Monetary System and Gold Standard System, Bretton Woods System, Fixed and Flexible Exchange rate system. Introduction to exchange rates, types of quotations, Forex transactions, Determinants of exchange rate, foreign bank note market.	
2.	**Foreign Exchange Market, Holgate's Principal and Arbitrage**	15
	Characteristics Participants and Structure of FEM, Holgate's Principal, Annualized forward market Arbitrage – Geographical, Triangular and interest rate, Fisher's Parity	
3.	**International Equity Market, Euro Currency Market, Indian Foreign Exchange Market**	15
	Euro Currency Market and Euro bond market International Equity Market – Depository receipts Indian Foreign Exchange Market-Participants, FERA vs. FEMA, FEDAI	
4.	**Capital Budgeting, International project appraisal, International tax environment, Types of foreign exchange risks and hedging**	15

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	Capital Budgeting- Meaning, Principles, Significance and techniques. International project appraisal, International Tax Environment, Types of foreign exchange risks, Techniques of managing risk – internal and external techniques.	

Recommended Reference List

- O.P. Agarwal, International Finance
- V.S. Somanath, International Financial Management
- Piet Sercu, International Finance- Puttting theory into Practice
- P. G. Apte, International Financial Management, 5th Edition, McGraw Hill.
- Cheol. S. Eun and Bruce G. Resnick, International Financial Management
- Maurice D. Levi, International Finance– Special Indian Edition
- Prakash G. Apte, International Finance – A Business Perspective
- Aadhani, International Finance

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