



MARRI LAXMAN REDDY INSTITUTE OF TECHNOLOGY AND MANAGEMENT

(AN AUTONOMOUS INSTITUTION)

(Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad)

Accredited by NAAC with 'A' Grade & Recognized Under Section 2(f) & 12(B) of the UGC act, 1956

COURSE CONTENT

International Financial Management								
IV Semester: MBA								
Course Code	Category	Hours/Week			Credits	Maximum Marks		
25MB026F4	ELECTIVE	L	T	P	C	CIE	SEE	Total
		4	0	-	4	40	60	100
Contact Classes:60	Tutorial Classes: Nil	Practical Classes: Nil			Total Classes: 60			
Prerequisite: Basic concepts of International Financial Management								

COURSE OVERVIEW:

International Financial Management (IFM) is a course that examines financial decision-making in a global business environment. It focuses on managing foreign exchange risk, international investments, cross-border financing, and multinational corporate financial strategies.

The course prepares students to understand how global markets, exchange rate fluctuations, and international financial systems affect business operations and financial performance.

COURSE OBJECTIVES:

- To provide an understanding about MNC Financial Management.
- To elucidate various aspects of Balance of Payments.
- To enlighten on various aspects of the Foreign Exchange Market.
- To discuss the methods of Measuring exchange rate movements.
- To help understand Asset-Liability Management and International Financing.

COURSE OUTCOMES: After completion of the course, students should be able to

1. Understand recent changes and challenges in International Financial Management.
2. Learn Factors affecting International Trade flows
3. Learn various aspects about International Stock market.
4. Understand the uses of exchange rates
5. Examine the importance of International Financing.

Unit – I: Introduction: An Overview, Importance, Nature and Scope of International Financial Management, Domestic FM vs. IFM, International Business Methods, Recent Changes and Challenges in International Financial Management.

Unit – II: International Flow of Funds: Balance of Payments (BOP), Fundamentals of BOP, Accounting Components of BOP, Factors affecting International Trade Flows, Agencies that facilitate International Flows. Indian BOP Trends.

International Monetary System: Evolution, Gold Standard, Bretton Woods's System, the Flexible Exchange Rate Regime, Evaluation of Floating Rates, the Current Exchange Rate arrangements, the Economic and Monetary Union (EMU) and Developments.

Unit – III: Foreign Exchange Market: Function and Structure of the Forex Markets, Major Participants, Types of Transactions and Settlements Dates, Foreign Exchange Quotations. Process of Arbitrage, Speculation in the Forward Market. Currency Futures and Options Markets, Overview of the other markets, Euro Currency Market, Euro Credit Market, Euro Bond Market, International Stock Market.

Unit – IV: (a) Exchange Rates: Measuring Exchange Rate Movements, Factors influencing Exchange Rates. Government influence on Exchange Rates, Exchange Rate Systems. Managing Foreign Exchange Risk. International Arbitrage and Interest Rate Parity.

(β) Relationship between Inflation, Interest Rates and Exchange Rates, Purchasing Power Parity, International Fisher Effect, Fisher Effect, Interest Rate Parity, Expectations Theory

Unit – V: Asset–liability Management: (a) Foreign Direct Investment, International Capital Budgeting, International Capital Structure and Cost of Capital. International Portfolio Management.

(b) International Financing: Equity, Bond Financing, Parallel Loans, International Cash Management, Accounts Receivable Management, Inventory Management. Payment methods of International Trade, Trade Finance Methods, Export – Import Bank of India, Recent Amendments in EXIM policy, Regulations and Guidelines.

TEXT BOOKS:

- Cheol Eun, Bruce Resnick, Tuugi Chuluun, International Financial Management, TMH,9e,2021.
- P.G. Apte, Sanjeevan Kapshe, International Financial Management, TMH ,8e,2020.
- Alan C. Shapiro, Multinational Financial Management, John Wiley,11e, 2019.

REFERENCE BOOKS:

- Jeff Madura, International Corporate Management, Cengage, 13e,2016.
- S. Eun Choel and Risnick Bruce: International Financial Management, TMH, 2012
- Sharan.V, International Financial Management 6e, PHI, 2014.

ELECTRONIC RESOURCES:

1. https://en.wikipedia.org/.../Journal_of_International_Financial_Management_and_Accounting. 1467-646X web.
2. <https://www.cengage.co.in/.../finance/international-financial-management/international> financial management.
3. <https://www.indiaclass.com/financial-management-reference-books>.
4. <https://www.loc.gov/rr/business/BERA/issue7/finance.html>.
5. https://www.amazon.in/dp/B00K7YG378/ref=cm_sw_r_apan_glt_D3CPTZ93T5W5TFD9CWPY?_encoding=UTF8&psc=1.
6. https://www.amazon.in/dp/B00K7YG378/ref=cm_sw_r_apan_glt_D3CPTZ93T5W5TFD9CWPY?_encoding=UTF8&psc=1.

MATERIALS ONLINE:

1. Course template
2. Tutorial question bank
3. Tech talk and Concept Video topics
4. Open-ended experiments
5. Definitions and terminology
6. Assignments
7. Model question paper – I
8. Model question paper – II
9. Lecture notes
10. PowerPoint presentation
11. Drishya Siksha Sangrah (DSS) Videos

