



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								
Course Code	Category	Hours/Week			Credits	Maximum Marks		
		L	T	P	C	CIE	SEE	Total
20MBA025F	Professional Elective	4	-	-	4	30	70	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 focuses on managing financial operations in a global business environment. It deals with financial decision-making in multinational corporations, considering factors such as foreign exchange risk, international capital markets, cross-border investments, and global economic conditions.

COURSE OBJECTIVES:

- To understand the concepts and significance of financial management in an international business environment.
- To analyze the functioning of foreign exchange markets and exchange rate determination mechanisms.
- To evaluate different types of foreign exchange risks and apply appropriate hedging techniques.
- To examine international financial markets and sources of finance for multinational corporations.
- To apply financial decision-making techniques in evaluating international investments and managing global financial operations.

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

1. Define fundamental concepts, nature, scope of international financial management, distinctions from domestic finance, international business methods and recent global financial challenges
2. Explain components of the Balance of Payments, its relevance with international trade and the evolution of the international monetary system with key agencies.
3. Apply foreign exchange market knowledge by combining currency quotations, performing arbitrage - speculation and utilizing currency futures & options for hedging
4. Analyze factors affecting exchange rate movements, with inflation, interest rates, purchasing power parity, exchange rate systems and government currency interventions
5. Evaluate strategies for international asset-liability management covering capital budgeting, portfolio management, financing, trade finance, risk assessment, payment methods and EXIM policy application.

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.

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 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. Relationship between inflation, interest rates and exchange rates , purchasing power parity

UNIT-V ASSET-LIABILITY MANAGEMENT

Foreign direct investment, international capital budgeting, international capital structure and cost of capital. international portfolio management. International financing: Equity, Bond financing, parallel loans, international cash management, accounts receivable management, inventory management. Payment methods of international trade, trade finance methods, export and import bank of India, recent amendments in EXIM policy, regulations and guidelines. Latest Amendments in International Financial Management

TEXT BOOKS:

1. Jeff Madura, —International Corporate Management,| Cengage, 2nd Edition, 2012.
2. Alan C. Shapiro, —Multinational Financial Management|, John Wiley publications, 5th Edition, 2012
3. Sharan. V, —International Financial Management| PHI Publications, 5th Edition,, 2012

REFERENCE BOOKS:

1. P. G. Apte, —International Financial Management|, TMH publications, 3rd Edition, 2012.
2. Madhu Vij,| International Financial Management|, Excel Publications, 4th Edition, 2012.
3. Madhu Vij: International Financial Management, Excel, 2012

ELECTRONIC RESOURCES:

- https://en.wikipedia.org/.../Journal_of_International_Financial_Management_and_Accounting.1467-646X (web).
- https://www.cengage.co.in/.../finance/international-financial-management/international_financial_management.
- <https://www.indiaclass.com/financial-management-reference-books>
- <https://www.loc.gov/rr/business/BERA/issue7/finance.html>

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

