



# GUJARAT TECHNOLOGICAL UNIVERSITY

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

Subject Name: International Finance

Subject Code: 1549502

With effective  
from academic  
year 2020-21

## 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 propose solutions that will take	1	2	-	-	-	-	-	-	2



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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 stakeholders.		<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> <li>International Bond Market, LIBOR, (Theory)</li> <li>International Equity Market (ADR, GDR, EURO)</li> <li>Multinational Cash Management, (Theory)</li> </ul>	10	17



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<b>IV</b>	<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
<b>V</b>	<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:

<b>A</b>	<b>Internal Evaluation</b>	<b>(Internal Assessment- 50 Marks)</b>
	• Continuous Evaluation Component	30 marks
	• Class Presence & Participation	10 marks
	• Quiz	10 marks
<b>B</b>	<b>Mid-Semester examination</b>	<b>(Internal Assessment-30 Marks)</b>
<b>C</b>	<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>

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



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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/>