

Course Type	Course Code	Name of Course	L	T	P	Credit
DE	EMSD511	Multinational Finance	3	0	0	3

### Course Objective

This course is designed to familiarize students with different aspects of multinational finance. It focuses on foreign exchange markets, balance of payments, risk in foreign exchange markets, instruments to hedge the risk and influence of macro-economic parameters in the functioning of the foreign exchange market.

### Learning Outcomes

- To understand the functioning and regulation of foreign exchange market.
- To develop understanding about the macro economic factors affecting foreign exchange market.
- To understand the various risks and instruments to hedge the risk in foreign exchange market.

Unit No.	Topics to be Covered	Lecture Hours	Learning Outcome
1	Introduction to Foreign Exchange Market, Exchange Rate Determination- PPP, IRP & Fischer Effect, Balance of Payment, International Monetary Systems, Case Study in Foreign Exchange Market	12	To develop an understanding of the broad concepts, evolution, framework and recent trends in the foreign exchange market.
2	Risk Management in Foreign Exchange Market, Transaction, Economic & Translation Exposure	4	To develop an understanding of the various exposure in foreign exchange market and its impact on the business
3	Financial Derivatives- Forwards and Futures, Options, Swaps, Other Derivatives Instruments, Pricing of Derivatives instruments, Case Study on Risk Management and Derivatives instruments	11	To develop an understanding on the various risk in foreign exchange market and equipped with instruments to hedge the risk in foreign exchange market.
4	Derivatives Market in India, Trading Mechanism of Derivatives Instruments, Clearing and Settlement of Derivatives Instruments, Hedging Strategies using Derivatives instruments.	10	To develop an understanding on the trading and settlement of derivatives instruments and hedging strategies used in the financial market.
5	Various Approaches to Exchange Rate Forecasting, Theories of International Trade	5	To develop an understanding on the basics and fundamentals of theories of international trade And exchange rate forecasting
Total		42	

### TextBooks

1. International Financial Management – PG Apte, Tata McGraw Hill Education
2. International Financial Management - Alan C Shapiro and Peter Moles, Wiley Publisher

### References

1. Multinational Business Finance – Eiteman, Stone hill, Moffett and Pandey, Pearson Education
2. International Finance– R Srivastava, Oxford Higher Education
3. Case Studies and Reports in International Finance- to be provided by the instructor