

Veer Narmad South Gujarat University
Bachelor of Business Administration
Year – III (Semester – VI) (W.E.F. A.Y.2021-22)

Subject Name: International Financial Management
(Finance Elective Group)
Subject Code: FSE-4 604

Objectives:

- To acquaint the students with the Multinational financial system, instruments used in International Finance, short term financing related decision.
- Familiarize students with international financial transactions and Operational aspects of foreign exchange markets.

Teaching Pedagogy:

- ☐ Students are involved through lectures, discussions, corporate cases and power point presentation

Course Content:

Unit 1: International Financial Environment (20%)

An overview, reasons to pursue international business, how firm engage in international business, Balance of Payments, International Capital flows and facilitating agencies, Factors affecting international portfolio management,

Unit 2: International Financial Markets (20%)

Foreign exchange market: History, Transactions, Quotations and their interpretation, Money market: Origins and development, Global Bank regulations, Bond market: overview on Eurobond market and others, Stock market: Issuance of stock in foreign market and investing

Unit 3: International Trade Financing (20%)

Payment terms in international trade, Documents in international trade, financing techniques in international trade, government sources of export financing, Concept of parallel loans

Unit 4: Short Term Financing (10%)

Sources of short term financing and criteria for foreign financing, International Cash Management: centralized cash management, techniques to optimize cash flow, Complications in optimizing cash flow

Unit 5: Long Term Assets and Liability Management

(30%)

Direct Foreign Investment: Motives, benefits and host government views, Barriers,
Multinational Capital budgeting: Inputs, simple example and factors, International
Acquisitions: Background, Models for valuing target, factors affecting cash flow
determination of target, valuation process, why valuation differ and other type of
multinational restructuring

Suggested Reading:

- ☐ Madura J. International Financial Management, Asian Books Pvt Ltd, NewDelhi.
- ☐ Shapiro, Alan C. Multinational Financial Management, Prentice hall of India, New Delhi,1995.
- ☐ Bhalla, V.K. International Financial Management, Anmol publication, NewDelhi.
- ☐ Buckley Adrian, Multinational Finance, Prentice hall of India, New Delhi,1996.
- ☐ Abdullah, F.A. Financial Management of the Multinational Firms, Englewood Cliffs, New Jersey,1987.
- ☐ Eun&Resnick (2008). International Financial Management, latest edition, Tata McGraw Hill, NewDelhi.
- ☐ Sharan V. (2012). International Financial Management, Sixth edition, PHI Learning, NewDelhi.