



Kot Bhalwal, Jammu



Model Institute of Engineering
& Technology (Autonomous)
Course Handout

COURSE HANDOUT

INTERNATIONAL FINANCIAL MANAGEMENT (MBA-421)

MBA-4th SEMESTER

ACADEMIC YEAR (2023-24)

Dr Deeksha Singh

Assistant Professor

School of Management



School of Management

Model Institute of Engineering & Technology (Autonomous)

Kot Bhalwal, Jammu - 181122

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Dr. Arun K. Gupta Teaching-Learning Centre

Version 1.1



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Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
							Sessional	Final Exam	Total
MBA-421	International Financial Management	Elective	4	4	0	0	30	70	100

COURSE OUTCOMES

At the end of the course the student will be able to:	
CO1	Understand International Financial System and Monetary System.
CO2	Comprehend the various theories of international trade and Balance of Payment framework
CO3	Analyze the types, strategies and theories of Foreign Direct Investments.
CO4	Evaluate the impact of political and economic exposure on foreign exchange using forecasting techniques.
CO5	Analyze the international trade management theories of working capital.

Unit-I

Introduction to Financial Systems: Globalization, Risks and opportunities of Going Global, Imperatives of Global Market and Multinational Corporation, International financial system, International Monetary System

(10 Hours)

Unit-II

Theoretical Developments in International Financial Management: Theories of International Trade-Mercantilists View, Absolute Advantage theory, Comparative advantages Theory, H-O-S model and strategic Trade Theories, International Trade Patterns and Balance of Payments framework.

(8 Hours)

Unit-III

Foreign Direct Investment: Introduction, Types of Foreign Direct Investment Patterns and strategies of Foreign Direct Investment, Theories of International Investment. International Capital Budgeting: Acceptance Criteria in Foreign Investments and International Portfolio Investment.

(8 Hours)

Unit-IV

Foreign Exchange Exposure: Management of Economic and Political risk Foreign Exchange Exposure, Nature and Measurement of Foreign Exposure, Management of Exposure Exchange Rate Forecasting Techniques

(8 Hours)

Unit-V

Trade Management: International Working Capital Management, working Capital Policy, Financing of foreign Trade, Methods and Investments of Trade financing

(7 Hours)

Textbooks

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	International Financial Management	Sharan, Vyuptkesh	Prentice Hall	6 th (2010)
2.	International Business	Joshi, Rakesh Mohan	Oxford University Press	1st (2009)



Reference Books

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Fundamentals of International Financial Management	Kevin, S.	Prentice Hall	1st (2009)

COURSE PLAN

Unit-I Introduction to Financial Systems

S.No	Topics	Recommended Books
1	Introduction to Globalization	Book 2, Ch.1
2	Globalization	Book 2, Ch.1
3	Risks and opportunities of Going Global	Book 2, Ch.1
4	Imperatives of Global Market	Book 2, Ch.1
5	Multinational Corporation	Book 2, Ch.13
6	International financial system	Book 1, Ch.1
7	International Monetary System	Book 1, Ch.3

Unit-II Theoretical Developments in International Financial Management

8	Theories of International Trade	Book 2, Ch.1
9	Mercantilists View	Book 2, Ch.2
10	Absolute Advantage theory	Book 2, Ch.2
11	Comparative advantages Theory	Book 2, Ch.2
12	H-O-S model	Book 2, Ch.2
13	Strategic Trade Theories	Book 2, Ch.2
14	International Trade Patterns	Book 2, Ch.3
15	Balance of Payments framework.	Book 2, Ch.3

Unit-III Foreign Direct Investment

16	Introduction & Types of Foreign Direct Investment	Book 1, Ch.11
17	Patterns and strategies of Foreign Direct Investment	Book 1, Ch.11
18	Theories of International Investment	Book 1, Ch.12
19	International Capital Budgeting	Book 1, Ch.12
20	Acceptance Criteria in Foreign Investments	Book 1, Ch.14
21	International Portfolio Investment	Book 1, Ch.14

Unit-IV Foreign Exchange Exposure

22	Management of Economic Risk	Book 1, Ch.5
23	Management of Political Risk	Book 1, Ch.13
24	Introduction to Foreign Exchange Exposure	Book 1, Ch.9
25	Nature of Foreign Exchange Exposure	Book 1, Ch.9
26	Measurement of Foreign Exchange Exposure	Book 1, Ch.9
27	Management of Exposure	Book 1, Ch.10
28	Exchange Rate Forecasting Techniques	Book 1, Ch.8

Unit-V Trade Management

29	Introduction to International Working Capital Management	Book 1, Ch.21
30	International Working Capital Management	Book 1, Ch.21



31	Working Capital Policy	Book 2, Ch.21
32	Financing of foreign Trade	Book 1, Ch.22
33	Methods of Trade financing	Book 2, Ch.22
34	Investments of Trade financing	Book2, Ch. 22

ADDITIONAL WEB RESOURCES

1.	Course Pack on International Financial Management created on Harvard Business Publishing https://hbsp.harvard.edu/coursepacks/1139681
2.	NPTEL: Video lectures on International Finance Lecture series by Prof. Arun.K.Misra, Management, IIT Kharagpur https://engineeringvidelectures.com/video/12492

GRADING AND ASSESSMENT

- **Sessional Test:** 15 marks
- **Assignment:** 10 marks
- **Attendance:** 5 marks
- **Final Examination:** 70 marks

COURSE POLICIES

- **Attendance:** Minimum 75% attendance is mandatory to appear in the final examination of the course.
- **Academic Integrity:** MIET's academic integrity policies apply. Plagiarism will not be tolerated.
- **Late Submissions:** Assignments and projects must be submitted by the specified timelines.

FACULTY INFORMATION

- **Office Hours**
Monday (12:05 PM - 12:55 PM)
Friday (12:05 PM - 12:55 PM)
- **Contact Information**
deeksha.mba@mietjammu.in