

Course Title: International Financial Management

Course Code: 501

1. **Introduction:** International finance, its importance to MNC's, investors, banks, Types of international transactions- FDI,FII, International trade, risks in international finance
2. **National Income Accounting and Balance** Balance of payments theory: different approaches and synthesis Balance of payment accounts; national income accounting in an open economy; monetary account; Determination of national income, multiplier analysis, the transfer problem, introduction of foreign country and repercussion effect.
3. **Foreign Exchange Markets:** Introduction, Types of foreign exchange rates- spot rate, forward rate, inter bank rate, two quote rate, cross rate, regulating and controlling foreign exchange market, Methods of exchange rate control,foreign exchange trading activity in India, foreign exchange market reforms, gains from Capital Account Convertibility, Tarapore Committee on CAC.
4. **International Financial System:** Evolution of IFS, International financing agencies-IMF, World Bank, European Investment Bank, International banking- Structure of global banking system
5. **Economic Development: Growth, Crisis and Reforms** Growth strategies; inward-issuing vs outward-looking growth orientation; exports and growth; Export-instability, exchange rate variability, and the effects on trade and growth; theories of foreign direct investment and international capital flows; empirical work on these issues; international commodity agreements and cartels; the Dutch disease, or de-industrialization; trade reforms and structural adjustments; the important of scheduling reforms and comparisons of country experiences.
6. **Global Capital Market: Performance and Policy Problems** The international monetary system: history, problems and reform proposals; the debt burden and its management at the national and international levels; international policy repercussions and coordination; adjustment to external disturbances.

Recommended books:

1. Krugman, Paul & Mautice Obstfeed, International Economics,6th ed. Addison Wesley, 2003 (Ch. 12-20)

2. Pilbeam, K. International finance (chapters 4-15). Macmillan, 1994.
3. Sodersten, B. and Reed, G. International economics (chapters 17-25). Macmillan Company, 1994.
4. Turnovsky, S. J. Macroeconomic analysis and stabilization policy (chapters 9-12). Cambridge University Press, 1977.

References:

1. Argy, V. International macroeconomics. London and New York: Routledge, 1994
2. Donbusch, R. Stabilization, debt and reform. Prentice Hall, 1993.
3. Grossman, G. M. and Rogoff, K., eds. Handbook of international economics. Vol III. Elsevier, 1995.
4. Jones, R. and Kenen, P. B., eds. Handbook of international economics. Vol II. Elsevier, 1995.
5. Thomas, V., ed. Best practices in trade reform. Oxford University Press, 1991.