COURSE OBJECTIVES:
This course seeks to provide an understanding of financial management in an international setting. At the outset, we study the macro-environment in which the multinational firm operates. This course has objectives as following:

- Determination of exchange rates, and their relationship with interest rates and inflation
- Consequences of misalignment of exchange rates, the origins of financial crises
- Different types of foreign exchange risks faced by the MNC
- Identification and measurement of these risks
- Management of foreign exchange risk via initiatives on and off balance sheet. The use of derivative instruments will be considered
- The structure of international financial markets and institutions, the range of instruments traded therein,
- Innovations in international financing, the forces leading to these innovations, the role they play, the mechanisms facilitating trade in financial assets across national boundaries

MODULES:
1) A. The Foreign Exchange Market  
   B. International Parity Conditions  
2) A. Foreign Exchange Rate Determination and Forecasting  
   B. Foreign Currency Derivatives  
3) Interest Rate and Currency Swaps  
4) A. Transaction Exposure  
   B. Operating Exposure
5) Translation Exposure

**PRE-COURSE READINGS:**


**DELIVERABLES:** The student will have deeper insight into the financial management in the International setting and will be encouraged to take up higher studies in the area.

**COURSE EVALUATION:**

- Pre-course Assignment 30%
- Group Project 30%
- End Term Exam 40%