

SPECIAL ELECTIVE SUBJECT - Group G (Advanced Banking & Finance)

Subject: Foreign Exchange

Course Code: 315

Total Credits: 04

Objectives:

1. To provide an understanding of various aspects of foreign exchange market.
2. To acquaint the students with financing of foreign trade.
3. To give an understanding about exchange rate mechanism and factors affecting exchange rates.
4. To make students aware of recent development in foreign exchange market.

Skills to be developed:

1. To make aware about role of foreign exchange market.
2. To expose them to various ways of financing of foreign trade.
3. Students shall learn and acquire knowledge about working of foreign exchange market in India.
4. Students will acquire skills about role of EXIM bank in financing foreign trade

| Unit No. | Topic | No. of Lectures | Teaching Method | Course Outcome |
|----------|--|-----------------|--|---|
| 1 | Foreign Exchange Market: 1.1 Meaning of foreign exchange 1.2 Features of foreign exchange market. 1.3 Participants of foreign exchange market. 1.4 Spot market: features 1.5 Forward market: features 1.6 Forward market Hedging 1.7 Swap rates 1.8 Currency futures 1.9 Currency Options 1.10 Risk in Foreign Exchange Market | 10 | Lecture, PPT, Group Discussion, Library Work, Assignment, | Students will be able to understand the role of foreign exchange market and types of trade performed in it. |
| 2 | Foreign Exchange Market in India: 2.1 Structure and Growth of Indian foreign Exchange Market 2.2 Foreign Exchange Management Act, 2000: Origin & Scope 2.3 Authorized money changers and Authorized Dealers in Foreign Exchange. 2.4 Dealing Rooms – Concept & Importance 2.5 Types of Accounts: of Non-Resident Indians 2.6 Meaning of Non-Resident 2.7 Non-Resident (External) Account (NRE) 2.8 Non-Resident (Ordinary) Account (NRO) 2.9 Foreign currency (Non-Resident) Account (FC NR) 2.10 Resident Foreign Currency Account | 16 | Lecture, PPT, Group Discussion, Library Work, Assignment, Use of internet | Students will be able to know the role of intermediaries in foreign exchange market, types of accounts of NRI in banks. |

| | | | | |
|---|---|----|--|---|
| | <p>(RFC)</p> <p>2.11 Non-Resident Non-Repatriable Account (NRNR)</p> <p>2.12 Role of Reserve Bank of India in Foreign Exchange Market.</p> <p>2.13 Factors Influencing foreign exchange rate</p> <p>2.14 Trade in major world currencies</p> | | | |
| 3 | <p>Financing of Foreign Trade:</p> <p>3.1 Objectives of Foreign Trade Documentation.</p> <p>3.2 Documents:</p> <ul style="list-style-type: none"> • Letter to Credit (L/C) • Parties to L/C; operation of L/C • Types of L/C: Revocable & Irrevocable • Transferable, Back to back credits • Revolving L/C • Anticipatory L/C • Draft, Types of draft. • Mate's Receipt. Bill of lading, Invoice. Insurance policy, • Certificate of origin, consular's invoice, bill of exchange | 12 | <p>Lecture,</p> <p>PPT,</p> <p>Group Discussion, Library Work,</p> <p>Assignment,</p> <p>Use of internet</p> | <p>Students will be able to understand finance trade and documents required while raising forex finance for business.</p> |
| 4 | <p>Methods of Financing Foreign Trade:</p> <p>4.1 Bank Credit –</p> <ul style="list-style-type: none"> • Pre-shipment credit • Post-shipment credit • Medium-term credit • Credit under duty draw back scheme • Export-Import Bank of India (EXIM Bank): Objectives, Functions, Performance and Role, • Export Credit Guarantee Corporation | 10 | <p>Lecture,</p> <p>PPT,</p> <p>Group Discussion, Library Work,</p> <p>Assignment,</p> <p>Use of internet</p> | <p>Students will be able to acquaint with the methods of financing of foreign trade and role of EXIM bank.</p> |

| | | | | |
|--|--|-----------|--|--|
| | (ECGC) of India. <ul style="list-style-type: none"> • Financing of Agro Export and documentations and finance and insurance required for it. | | | |
| | Total | 48 | | |

Recommended Books:

1. International Financial Management - V. Sharan
2. Financial Institution and Markets-a Global Perspective-Hazel J. Johnson
3. Foreign Exchange; International Finance-Risk Management-A.V. Rajwade
4. Financial Markets and Institutions- L.M. Bhole
5. International Financial Management-Eun/Resnick
6. International Financial Management, Markets, Institutions-James C. Baker-
7. Reserve Bank of India Bulletin- RBI, Mumbai.
8. Annual Reports of IMF, World Bank, Asian Development Bank.
9. Reports on Trends & progress of banking in India –RBI.

SPECIAL ELECTIVE SUBJECT - Group G (Advanced Banking & Finance)
Subject: International Finance Course Code: 316 Total Credits: 04

Objectives

1. To offer exposure of international banking.
2. To Provide understanding of International Financial market.
2. To acquaint the students with International monetary system.
3. To give understanding of operations of international Financial Institutions.

Skills to be developed:

1. To make aware about structure and working of foreign banking.
2. To expose them to various instruments of foreign debt and equity market.
3. Students shall learn and acquire knowledge about new foreign exchange rate regime with latest trends.
4. Students will acquire skills about role of international financial institutions.

| Unit No. | Topic | No. of Lectures | Teaching Method | Course Outcome |
|----------|---|-----------------|--|--|
| 1 | <p>International Banking:</p> <p>1.1 International Banking Reasons For International Banking, Types of International Banking offices: Correspondent Bank Foreign Offices Subsidiary and Affiliate Banks Offshore banking Centers,</p> <p>1.2 Money Transfer Mechanism: Forex division of banks, Pay pal, Swift, Western union money transfer, KYC norms.</p> <p>1.3 Role of RBI in controlling and supervision of foreign banking: promotion of Indian banks to work in aboard.</p> <p>1.4 International Money Market: Euro-markets- Development of Euro-dollar Market. Instruments - Euro Notes, Euro commercial Paper, Medium-term Euro Notes.</p> | 12 | Lecture, PPT, Group Discussion, Library Work, Assignment, Use of internet | Students will be able to learn the working of international banking and money market and role of RBI in this regard. |
| 2 | <p>International Debt and Equity Markets: 2.1 International Debt Market Instruments: Procedure for Issue of Foreign Bonds, Euro Bond, Global Bonds Convertible Bonds, Floating rate Notes International Equity Market Instruments:</p> <p>2.2 Procedure for Issue of –American Depository Receipts (ADR), Global Depository Receipts (GDR), External Commercial Borrowing (ECB).</p> | 12 | Lecture, PPT, Group Discussion, Library Work, Assignment, Use of internet | Students will be able to expose to international debt and equity market. |

| | | | | |
|--------------|--|-----------|--|--|
| 3 | <p>New Exchange Rate Regime: 3.1 Floating Rate System: Independent Float and Managed Float. 3.2 Currency Pegging: Pegging to single Currency; Pegging to basket of Currencies 'Pegging to SDRS (Special Drawing Rights); Crawling Peg. Convertible and Non-Convertible Currency.</p> | 14 | Lecture, PPT, Group Discussion, Library Work, Assignment, Use of internet | Students will be able to understand the working of exchange rate regime with latest trends. |
| 4 | <p>International Financial Institutions 4.1 Origin, Objectives, Structure and Operations of: A) Bank for International Settlements (BIS) B) International Monetary Fund (IMF) C) World Bank Group: International Bank for Reconstruction and Development (IBRD); International Finance Corporation (IFC); D) BRICS bank: role, progress, and its future</p> | 10 | Lecture, PPT, Group Discussion, Library Work, Assignment, Use of internet | Students will be able learn the role of international financial institutions in financing the infrastructure projects, health and education sector in developing countries. Student may understand the importance of BRICS groups and its bank. |
| Total | | 48 | | |

Recommended Books:

1. International Financial Management - V. Sharan
2. Financial Institution and Markets - a Global Perspective - Hazel J. Johnson
3. Foreign Exchange; International Finance-Risk Management-A.V. Rajwade
4. Financial Markets and Institutions- L.M. Bhole
5. International Financial Management-Eun/Resnick
6. International Financial Management, Markets, Institutions-James C. Baker-
7. Reserve Bank of India Bulletin- RBI, Mumbai.
8. Annual Reports of IMF, World Bank, ADB.