Customs Duties and Types of Duties and Exemption from Customs Duty. Valuation under customs: Valuation of Imported Goods and Valuation of Export Goods.. (Problems on Valuation of Imported Goods). (Theory and Problems).

Unit 6:

Import and Export Procedure under Customs: Introduction to Baggage and General Free Allowance. Provisional Assessment of Duty, Due Dates for Payment of Duty , Penalties under Customs, Seizure of Goods , Confiscation of Goods. (Theory).

Question Paper: 60 % Theory 40% problems

COURSE OUTCOME:

At the end of the course, the students are able to:

1. Have clarity about GST system in India.
2. Understanding of levy and collection of GST in India.
3. Have an overview of customs duty in India.
4. Understanding of valuation for customs duty.

RECOMMENDED BOOKS:

1. Indirect Taxes Law and practices, V S Datey, Taxmanns
2. GST & Customs Law (University Edition), K.M Bansal, Taxmanns.

REFERENCE BOOKS:

1. Principles of GST & Customs Law, V.S. Datey and Dr. Krishnan Sachdeva, Taxmanns
2. Goods & Services Tax (GST) in India , B. Viswanathan UBS Publishers

CO-PO MAPPING

CO	PO				
	PO1	PO2	PO3	PO4	PO5
CO1	X				
CO2	X				
CO3	X				
CO4					X

INTERNATIONAL FINANCIAL MANAGEMENT

Semester	IV	CIE Marks	: 40
Course Code	18MBAFM404	SEE Marks	: 60
Teaching Hours / week (L:T:P)	3-0-0	Exam Hours	: 03
	Credits : 03		

Course Objectives:

1. To understand the International Financial Environment and the Foreign Exchange market.
2. To learn hedging and Forex risk management.
3. To learn the Firm's Exposure to risk in International environment and various theories associated with it.

Unit 1:

International financial Environment- The Importance, rewards & risk of international finance- Goals of MNC- International Business methods. Balance of Payments (BoP), Fundamentals of BoP, Accounting components of BOP, Equilibrium & Disequilibrium, International Monetary System: Evolution, Gold Standard, Bretton Woods system, the flexible exchange rate regime, the current exchange rate arrangements, the Economic and Monetary Union (EMU).(Only Theory).

Unit 2:

Foreign Exchange Market: Function and Structure of the Forex markets, Foreign exchange market participants, Types of transactions and Settlements Dates, Exchange rate quotations, Determination of Exchange rates in Spot markets. Exchange rates determinations in Forward markets. Exchange rate behavior-Cross Rates- - Bid – Ask – Spread (Theory & Problems).

Unit 3:

Foreign exchange risk Management: Hedging against foreign exchange exposure – Forward Market- Futures Market- Options Market- Currency Swaps-Interest Rate Swap- problems on both two way and three way swaps.(Theory & Problems).

Unit 4:

International Financial Markets and Instruments: Foreign Portfolio Investment. International Bond & Equity market. GDR, ADR, International Financial Instruments: Foreign Bonds & Eurobonds, Global Bonds. Floating rate Notes, Zero coupon Bonds, International Money Markets, International Banking services –Correspondent Bank, Representative offices, Foreign Branches. Forward Rate Agreements. (Only Theory).

Unit 5:

International Parity Relationships & Forecasting Foreign Exchange

rate: Measuring exchange rate movements-Exchange rate equilibrium –Factors effecting foreign exchange rate- Forecasting foreign exchange rates.Interest Rate Parity, Purchasing Power Parity &International Fisher effects, Arbitrage, Types of Arbitrage – Locational, Triangular and Covered Interest Arbitrage. (Theory & Problems).

Unit 6:

Foreign Exchange exposure: Management of Transaction exposure-Management of Translation exposure- Management of Economic exposure-Management of political Exposure- Management of Interest rate exposure.

International Capital Budgeting: Concept, Evaluation of a project. (Theory & Problems).

Question Paper: 60 % Theory 40% problems. Case preferably from capital budgeting.

COURSE OUTCOMES:

1. The student will have an understanding of the International Financial Environment.
2. The student will learn about the foreign exchange market, participants and transactions.
3. The student will be able to use derivatives in foreign exchange risk management.
4. The student will be able to evaluate the Firm's Exposure to risk in International environment and various theories associated with it.

RECOMMENDED BOOKS:

1. International Corporate Finance - Jeff madura, Cengage Learning, 10/e 2012.
2. International Finance Management - Eun&Resnick, 4/e, Tata McGraw Hill.

REFERENCE BOOKS:

1. International Financial Management – Apte P. G, 6/e, TMH, 2011.
2. International Financial Management – MadhuVij, Excel Books, 2010.

CO-PO MAPPING

CO	PO				
	PO1	PO2	PO3	PO4	PO5
CO1	X				
CO2				X	X
CO3				X	
CO4	X				

FINANCIAL DERIVATIVES

Semester	IV	CIE Marks	: 40
Course Code	18MBAFM405	SEE Marks	: 60
Teaching Hours / week (L:T:P)	3-0-0	Exam Hours	: 03
	Credits : 03		

Course Objectives:

1. To understand various concepts and terminologies used in various financial derivatives.
2. To explain and critically evaluate various financial derivatives such as forwards, futures, options, financial swaps, credit derivatives etc.
3. To apply various financial derivatives in hedging risk and analyse it.

Unit1:

An Overview of Financial Derivatives: Meaning, benefits, types (both exchange traded and OTC traded) and features of financial derivatives-Factors causing growth of derivatives-functions of derivatives market-Derivative market players (Hedgers, speculators and arbitragers)-Derivatives market in India. (Theory).

Unit2:

Futures and Forwards: Meaning, features and types of futures/forwards-Futures vs Forwards-Mechanics of buying and selling futures/forwards-Hedging through futures/forwards-Marking-to-market process-contract specifications of stock, index and commodity futures–valuation of futures/forwards using cost of carry model-Arbitrage process-Interest Rate Futures & options. (Numerical problems on MTM and valuation of futures/forwards). (Theory and Problems).

Unit3:

Option Contracts: Meaning, features and types of option contracts-Options vs futures/forwards-Mechanics of buying and selling option contracts-contract specifications of stock, index and commodity options-Option pricing-factors affecting option pricing-Valuation of option contracts using Black Scholes model and Binomial model-Put-call parity theory-Option Greeks-Option Trading strategies-Interest rate options-Exotic options. (Numerical problems on all aspects except exotic options). (Theory and Problems).

Unit4:

Financial Swaps: Meaning, features and advantages of financial swaps-Types of financial swaps (Interest rate swap, currency swap, equity swap and commodity swap)-Mechanics of interest rate swaps– Triangular swap (Numerical problems only on interest rate swap including triangular swap)-valuation of interest rate swaps- Only theory. (Theory and Problems).