

**JYOTI NIVAS COLLEGE AUTONOMOUS
SYLLABUS FOR 2019 BATCH AND THEREAFTER**

Programme: M.Voc. (Banking and Finance)

Semester: IV

INTERNATIONAL BANKING AND FOREX MARKET

Course Code: 19MVB403

No. of Hours: 60

COURSE OBJECTIVES:

- To provide the students an insight about the dimensions of international banking.
- To create awareness about various institutions facilitating international business.
- To provide an understanding about the risk in international banks.

LEARNING OUTCOMES:

- An understanding of risks in international banking.
- An overview of Foreign exchange risk and management.
- Understanding about recent trends in international banking.

UNIT I:

15 HRS

International Banking: Origin and Evolution of International banking – Global trends as reasons for growth of international banking–Definitions – Growth and future prospects of International banking – Need for regulation of international banking in the current scenario. Role of international financial institutions in international business – The World Bank Group – International Bank for Reconstruction and Development (IBRD) – IDA – IFC – MIGA

UNIT II:

10 HRS

International Banking Operations: Off-shore financial centres – Rationale – Characteristics of offshore financial centres – Types of offshore centers – Benefit and reasons for growth – Factors of success – Tax Havens – Major Offshore Financial Centres – International Banking facilities – Special Economic Zones (SEZs) – Regulatory concerns.

UNIT III:

10HRS

Exchange Rates – Exchange Rate Systems – Gold and the Bretton woods Systems – Fixed Exchange Rates – Flexible Exchange Rates – Factors which influence the Determination of Exchange Rates – Exchange Control – Objectives and Methods of Exchange Control

UNIT IV:

15HRS

Foreign Exchange Transactions - Purchase and Sale Transactions – Spot and Forward Transactions –Ready Exchange Rates – Principal types of Buying Rates – Principal types of Selling Rates – Ready Rates based on Cross Rates.

UNIT V:**10HRS**

Forward Exchange Contracts – Factors that Determine Forward Margins – Calculation of Fixed Forward Rates and Option forward Rates – Forward Exchange Rates Based on Cross Rates – Execution of Forward Contract – Cancellation/Extension of Forward Contract – Inter Bank Deals (Theoretical Aspects only)

PRACTICAL COMPONENTS:

- Write a report on the functioning of Indian based banks in international banking in today's business environment
- Write a report about multinational banks operating in India
- Obtain an application form to open an NRE/NRO account and complete it.
- Explain the Role of RBI in determining the foreign exchange rates in India.

BOOKS FOR REFERENCE

1. International Banking, Indian Institute of Banking & Finance, First Edition
2010, Macmillan Publishers India Limited.
2. International Banking Operations, Indian Institute of Banking & Finance, First Edition
2010, Macmillan Publishers India Limited.
3. Anti money laundering and know your customer, Indian Institute of banking and
Finance, Macmillan Publishers India Limited.
4. C. Jeavanandam: Foreign Exchange Practice and Concepts, Sultan Chand & Sons,
New Delhi.
5. Apte P.G. International Financial Management Tata McGraw Hill, New Delhi