

**MA Economics
International Finance II**

Semester II

Subject Code: MEC21503

Lectures : 48

Objectives:

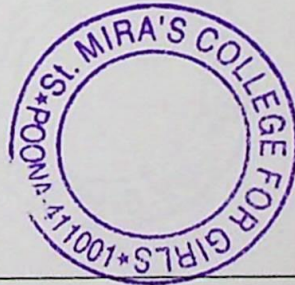
The objectives of this syllabus are to equip the students with an understanding of

- The theoretical framework of International Finance
- The tools of empirical analysis and to develop their analytical abilities
- The practical significance of International Finance

Unit 1: International Finance

No.of
Lects.
04

- Meaning, Scope & Importance of International Finance
- Benefits of a well-developed International Financial System
- Factors leading to crisis in International Financial System



Members Present :	Sign :
1) Dr. Girija Lagad- Faculty, Director MITSOG, Pune.	
2) Mr Nishant Upadhyay- Chief Manager, SBI, Forex , Pune.	
3) Dr. Subhash Patil – HOD, PG Dept. of Economics, SNTD, Pune.	
4) Mrs Suchismita Mohanty- Vice Principal, Kaveri College of Commerce, Pune	
5) Dr. Soniya Chavan- HOD- St. Mira's College for Girls, Pune.	
6) Mrs. Shalini Iyer- St. Mira's College for Girls, Pune.	
7) Dr. Arwah Madan - St. Mira's College for Girls, Pune.	
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9) Mrs. Meenal Sumant- St. Mira's College for Girls, Pune.	
10) Mrs. Amrita Basu- St. Mira's College for Girls, Pune.	
11) Mr. V. Haldavnekar- Visiting Faculty, St. Mira's College for Girls, Pune.	

Unit 2: Balance of Payments

No. of
Lects.
12

- Meaning, Structure and Components of the Balance of Payments
- Balance of Payments- Identification of Disequilibrium & Causes of Disequilibrium
- Correction of Disequilibrium- Automatic & Deliberate Correction
- Working of the Foreign Trade Multiplier
- Policies for Internal and External Balance-Fiscal and Monetary Policy under Fixed and Floating Exchange Rates.



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Unit 3: Foreign Exchange

No. of
Lects.
14

- Organization and Functions of Foreign Exchange Market; Demand & Supply of Foreign
- Exchange; Foreign Exchange Rate Movements-Depreciation, Appreciation, Devaluation and Overvaluation of Foreign Exchange Rate
- Foreign Exchange Market Transactions - Spot and Forward Market Transactions
- Exchanges, Futures, Swap Operation, Hedging, Arbitrage, Speculation
- Theories of Foreign Exchange Rate Determination- Purchasing Power Parity Theory,
- Balance of Payments Theory.
- Exchange Rate Systems- Fixed and Flexible Exchange Rates-Case for and against Fixed and Flexible Exchange Rates; Types of Floating Rates-Clean Float, Dirty Float, Managed Float
- Convertibility of a currency-Current and Capital Account Convertibility –Meaning, Benefits,Pre-requisites & Problems
- Introduction to Foreign Exchange Management Act



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Unit 4: International (Foreign) Capital Flows

No.of
Lects
10

- Meaning & Types of International Capital Flows-Direct and Portfolio Investment, Government, Institutional and Private Capital, Short term and Long term Capital , Home and Foreign Capital, Foreign Aid
- Types of Foreign Direct Investment and Foreign Portfolio Investment
- Foreign Aid –Types (tied aid and untied aid) , case for and against foreign aid;
- Importance and Role of Foreign Capital in economic development.
- Factors Affecting International Capital Movements

Unit 5: International Banking and Eurocurrency Market

No.of
Lects.
08

- International Banking-Factors Leading to Growth of International Banks, Types of International Banking Offices, Offshore Financial Centres,
- Non-Banking Financial Companies
- Eurocurrency Market: Origin, Growth, Participants;
- Eurocurrency Financial Instruments-euroCPs, euroCDs, euroloans, euronotes, eurobonds.
- External Commercial Borrowings-Foreign Currency Convertible Bonds (FCCB), American Depository Receipts (ADRs), Global Depository Receipts (GDRs), Indian Depository Receipts (IDRs) & their Types.



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12 lectures are assigned for library work, assignments, guest lectures and other contact hours

Recommended Text Books:

- Bhalla, V.K (2010): International Financial Markets, Anmol Publications Pvt Ltd, New Delhi
- G.Shailaja (2011): International Finance, Universities Press India Pvt Ltd, Hyderabad.
- Gupta, K.R.(latest edition): "International Economics", Atma Ram & Sons, Delhi
- Krugman, Paul .R. & Obstfeld, Maurice (2009) : "International Economics Theory and Policy", Pearson Education Publication, New Delhi.
- Levi, M.D (2009): International Finance, Routledge, Taylor & Francis Group, New York, Special Indian Edition
- Pugel T.A (2008): "International Economics", Tata McGraw-Hill Publishing Company Ltd, New Delhi.
- Salvatore, D. (latest ed): " International Economics", Prentice Hall, Upper Saddle River, N.J.
- Salvatore, D (2004) "Theory and Problems of International Economics" Schaum's Outline Series, Tata McGraw Hill Publishing Co. Ltd., New Delhi.
- Sawyer, W.C and Sprinkle, R.L (2003) "International Economics", Pearson Education
- Soderston, Bo (latest edition): "International Economics", The Macmillan Press Ltd., London.
- Srivastava, O.S.(latest edition), "International Economics", Kalyani Publishers.
- Williamson, J & Milner, C (1991): "The World Economy-A Textbook in International Economics", New York University Press, N. York



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Reference Books:

- Carbough, R.J. (1999) "International Economics", Thompson Publishing, NY
- Chacholiades, M. (latest edition): "International Trade : Theory and Policy", McGraw -Hill, Kogakusha, Japan.
- Ellsworth, P.T (1969) "International Economy", Collier MacMillan International Edition.
- Gerber, J (2012): "International Economics", Pearson Publication. New Delhi.
- Gowda, Venkatagiri K., "Eurodollar Flows and International Monetary Stability", Geetha Book House, Mysore.
- Heller, Robert, H., "International Monetary Economics", Prentice Hall, Cliffs.
- Ingram James. C (1983) "International Economics", John Wiley & Sons, Inc.
- JalanBimal (latest ed) "India's Economic Crisis", Oxford University Press.
- Kenen, Peter (2008) "The International Economy", Cambridge University Press.
- Kindleberger, C.P.(latest edition): "International Economics", R.D. Irwin, Homewood.
- Lindert, Peter, H. (1987) "International Economics" Richard Irwin Inc.
- Pugel, Thomas A(2007): "International Economics", McGraw Hill, New Delhi.
- Rugman, Alan. M and Hodgetts, Richard, M (2004): "International Business", Pearson Education
- Salvatore, Dominick, International Economics Macmillan, New York Publishing Co. New York
- Verghese, S.K.(latest ed): "Foreign Exchange and Financing of Foreign Trade", Vikas Publishing House, New Delhi.
- Gowda, Venkatagiri K., Eurodollar Flows and International Monetary Stability, Geetha Book House, Mysore.
- Verghese, S.K., Foreign Exchange and Financing of Foreign Trade, Vikas Publishing House, New Delhi.
- Heller, Robert, H., International Monetary Economics Prentice Hall, Cliffs.
- Salvatore, Dominick, International Economics Macmillan, New York Publishing Co. New York
- Economic Survey, Government of India (annual).
- Jalan Bimal, India's Economic Crisis, Oxford University Press, Oxford



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Journals & Periodicals:

- "Economic and Political Weekly" (Relevant Issues).
- "Economic Survey", Government of India, Ministry of Finance, Economic Division, , Oxford University Press, New Delhi.
- "Foreign Trade Review"- Journal of the Indian Institute of Foreign Trade, New Delhi.
- "Report on Currency and Finance" (annual), RBI, New Delhi
- "World Investment Report" (annual), UNCTAD, published for and on behalf of the UN by Academic Foundation, New Delhi.

Websites:

- www.academicfoundation.com
- www.rbi.org.in
- www.unitednations.org



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