



Gyanmanjari

Innovative Education

Course Syllabus
Gyanmanjari Institute of Commerce
Semester- 3 (M.Com)

Subject: International Banking and Foreign Exchange- MCOBI13513

Type of course: Major (core)

Prerequisite:

Students should have a basic knowledge of banking operations, financial systems, and monetary terms. Familiarity with foreign trade and the role of RBI will be helpful for better understanding.

Rationale:

This course provides students with essential knowledge of international banking systems, foreign exchange markets, and global trade finance. It helps them understand forex risks, regulatory frameworks, and equips them to manage international financial transactions effectively.

Teaching and Examination Scheme:

Teaching Scheme			Credits	Examination Marks					Total Marks
CI	T	P	C	Theory Marks		Practical Marks		CA	
				ESE	MSE	V	P	ALA	
04	00	00	04	60	30	10	00	50	150

Legends: CI-Classroom Instructions; T - Tutorial; P - Practical; C - Credit; SEE - Semester End Evaluation; MSE- Mid Semester Examination; V - Viva; CCE-Continuous and Comprehensive Evaluation; ALA- Active Learning Activities.



Sr. No	Course content	Hrs.	% Weightage
1	International Banking <ul style="list-style-type: none"> • Meaning, evolution, and scope of international banking • Types of international banking offices: Branches, subsidiaries, representative offices, offshore units • International banking services: Foreign currency loans, export-import finance, syndicated loans, treasury services, remittances • Regulation of international banking: RBI, FI MA, BIS • Overview of Basel norms: Basel I, II, and III • Case study: Role of Indian banks in international banking operations 	15	25
2	Foreign Exchange Market and Exchange Rate Mechanism <ul style="list-style-type: none"> • Structure, features, and participants of the forex market • Types of forex transactions: Spot, forward, swap, futures, options • Exchange rate systems: Fixed, floating, managed floating – features, merits & demerits • Exchange rate determination theories: PPP, Interest Rate Parity, Balance of Payment theory • Factors affecting exchange rates: Inflation, interest rates, political stability, trade balance • Role of RBI in exchange rate management • Case study: Historical INR vs USD trend and policy interventions 	15	25
3	Foreign Exchange Risk and Management <ul style="list-style-type: none"> • Types of exposure: Transaction, translation, and economic exposure • Risk management tools: Forward contracts, options, futures, swaps • Role of derivatives in managing forex risk • FEMA guidelines on foreign exchange transactions • RBI guidelines for authorized dealers and Indian corporates • Hedging strategies for importers and exporters • Currency risk analysis using real Indian corporate examples 	15	25

4	International Trade Finance and Modern Banking Trends <ul style="list-style-type: none"> • Methods of international payments: Advance, open account, documentary collection, letters of credit (LC) • Role and structure of L.C, types of L.C, and the UCPDC framework • Export finance: Pre-shipment and post-shipment finance • Import finance process and documentation • Role of EXIM Bank and ECGC in promoting Indian foreign trade • Impact of geopolitical changes on global banking 	15	25
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Continuous Assessment:

Sr.No	Active Learning Activities	Marks
1	Report on International Bank Services Student have to prepare a report on services provided by any international Bank	10
2	INR vs USD Exchange Rate Trend Students have to analyze the recent trend of INR vs USD exchange rate for the past 1 month, present it in table/graph form, and explain reasons for changes.	10
3	Report on Foreign Remittance Process Students have to visit a bank branch and prepare a report on how foreign remittances are processed, listing 5-6 key steps.	10
4	Draft a sample letter of credit (LC) Students have to draft a sample Letter of Credit (LC) for an import transaction, including all essential terms and conditions.	10
5	Case Study on Forex Risk Students have to prepare a case study on forex risk faced by an Indian exporter due to currency fluctuations, including its impact and possible risk management methods.	10
Total		50



Suggested Specification table with Marks (Theory): 100

Distribution of Theory Marks (Revised Bloom's Taxonomy)						
Level	Remembrance (R)	Understanding (U)	Application (A)	Analyze (N)	Evaluate (E)	Create (C)
Weightage	20%	30%	30%	10%	10%	-

Note: This specification table shall be treated as a general guideline for students and teachers. The actual distribution of marks in the question paper may vary slightly from above table.

Course Outcome:

After learning the course, the students should be able to:	
CO1	Understand the structure, types, and regulatory aspects of international banking operations.
CO2	Explain the functioning of foreign exchange markets and the determination of exchange rates.
CO3	Identify different types of forex risk exposures and apply appropriate risk management tools.
CO4	Evaluate methods of international trade finance and examine current trends in global banking and foreign exchange.

Instructional Method:

This course will be delivered through a blend of classroom teaching and interactive learning. Conventional lectures using the chalk-and-talk method and PowerPoint presentations will be the primary mode of instruction.

To enhance practical understanding, real-world case studies and examples from international banking and foreign exchange markets will be discussed in class. Group discussions and student seminars on contemporary issues will help improve critical thinking and engagement.

Selected topics will be supported through video-based learning from platforms such as NPTEL, SWAYAM, and RBI's official resources.

Additionally, 10% of the syllabus is suggested for flipped learning, where students will be encouraged to explore supplementary reading materials and online content to build a deeper understanding of key topics.

Reference Books:

1. **Apte, P.G.** – *International Financial Management*, Tata McGraw-Hill Education
2. **Jeevanandam, C.** – *Foreign Exchange: Practice, Concepts and Control*, Sultan Chand & Sons
3. **Srivastava, R.M.** – *International Banking and Finance*, Himalaya Publishing House
4. **Avadhani, V.A.** – *Forex Management*, Himalaya Publishing House
5. **Reserve Bank of India** – RBI Master Circulars and Bullets
6. **FEMA Guidelines** – Ministry of Finance, Government of India

